



Daily Report

East Asia

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CONTENTS

13 November 1995

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INTERNATIONAL AFFAIRS

CHOGM Gives Nigeria Two Years 'To Improve' [<i>Melbourne International</i>]	1
Nigerian Minister Rejects Censure [<i>Melbourne International</i>]	1
Mahathir on Suspension of Nigeria [<i>Kuala Lumpur TV</i>]	1
Solomon Islands Vote 'Mistake' [<i>Melbourne International</i>]	2
Mahathir Suggests North Sea for Nuclear Tests [<i>Wellington International</i>]	2
Malaysia's Mahathir Voices Doubts on APEC [<i>Melbourne International</i>]	2
Criticizes Structure of APEC [<i>Kuala Lumpur International</i>]	2
APEC Summit in Osaka Previewed [<i>THE NATION 13 Nov</i>]	2
APEC Senior Officials Begin Talks in Osaka [<i>KYODO</i>]	4

NORTHEAST ASIA

Japan

Murayama, Clinton To Reaffirm Security Ties [<i>KYODO</i>]	5
Agenda for Murayama-Clinton Summit Revealed [<i>KYODO</i>]	5
New Envoy to U.S. Against Amending SOFA [<i>KYODO</i>]	6
Upper House Endorses Defense Accord With U.S. [<i>KYODO</i>]	6
SDPJ Urges Halving U.S. Troops on Okinawa [<i>KYODO</i>]	7
Further on SDPJ Scheme [<i>ASAHI SHIMBUN 10 Nov</i>]	7
Daily on Proposal for Reduction of U.S. Bases [<i>RYUKYU SHIMPO 9 Nov</i>]	7
DA Chief Meets Governor Ota on Base Issues [<i>OKINAWA TIMES 13 Nov</i>]	8
Eto Pledges Efforts To Reduce Okinawa Bases [<i>KYODO</i>]	9
Daily Interviews EA Head on Okinawa Base Issue [<i>RYUKYU SHIMPO 12 Nov</i>]	9
DA Draft Conforms to U.S. Strategic Report [<i>ASAHI SHIMBUN 8 Nov</i>]	10
SDPJ Releases Revised Defense Program [<i>KYODO</i>]	11
SDPJ's Base Realignment Program Criticized [<i>OKINAWA TIMES 10 Nov</i>]	11
Murayama Reprimands Eto Over Colonial Rule Remarks [<i>KYODO</i>]	12
Kong No-myong Urges Eto's Dismissal [<i>NIHON KEIZAI SHIMBUN 11 Nov</i>]	13
Seoul Rejects Proposed Foreign Minister's Visit [<i>KYODO</i>]	13
Foreign Minister Cancels Visit to South Korea [<i>KYODO</i>]	13
More on Kono's Trip Cancellation [<i>KYODO</i>]	14
Kubo Urges Eto To Resign Over Korea Remarks [<i>KYODO</i>]	15
Eto Resigns Over Colonization Remarks on Korea [<i>KYODO</i>]	15
Coalition Divided Over Calls for Eto Resignation [<i>KYODO</i>]	15
NHK Panel on Ties With ROK, Eto Comments [<i>Tokyo TV</i>]	16
New OECD Head Discusses Trade Liberalization [<i>KYODO</i>]	17
Tokyo Offers Compromise on APEC Farm Issue [<i>KYODO</i>]	18
Tokyo To Unveil Deregulation Measures at APEC [<i>MAINICHI SHIMBUN 10 Nov</i>]	18
No Restrictions on Chinese Textiles Planned [<i>KYODO</i>]	19
EAP Reports Economy Remains on Weak Note [<i>KYODO</i>]	19
Draft of Five-Year Economic Plan Disclosed [<i>SANKEI SHIMBUN 5 Nov</i>]	20
Council Seeks To Improve High-Cost Structure [<i>YOMIURI SHIMBUN 5 Nov</i>]	20
Miyazaki on Effect of APEC Success on Economy [<i>KYODO</i>]	21
Murayama, Takemura Vow To Review Financial Policy [<i>KYODO</i>]	21

Takemura Says Nation Facing Fiscal Crisis [KYODO]	21
Daiwa Pleads Not Guilty on All Charges in U.S. [KYODO]	22
Article Views MOF's New Financial Policies [NIHON KEIZAI SHIMBUN 6 Nov]	22
Posts Minister Vows Further Telecom Deregulation [KYODO]	24
Business Leaders Urge More Deregulation [KYODO]	24
Defendants in Bid-Rigging Case Plead Guilty [KYODO]	25
Committee Passes Revision of Religious Group Law [KYODO]	25
Gap in LDP, SDPJ Defense Policies Noted [ASAHI SHIMBUN 10 Nov]	26
SDPJ Announces Proposal for NDPO Revision [MAINICHI SHIMBUN 12 Nov]	27
Coalition Wins Diet Vote To Extend Session [KYODO]	27
NFP Decides on Rules for Choosing Party Head [KYODO]	27
Forum for Launching New Party Formed [KYODO]	28
Official: Sakigake Not To Join New Party Move [KYODO]	28
Takemura Considered for New SDPJ Leadership [EKONOMISUTO 7 Nov]	28
Expert Discusses Tokyo's Intelligence Activities [SAPIO 22 Nov]	29

North Korea

Daily Criticizes 'Double-Faced Tactics' of U.S. [KCNA]	32
U.S. 'Policy of Strength' Viewed [KCNA]	33
Daily Denounces 'U.S.-Japan Security Alliance' [KCNA]	33
U.S.-South Military Exercises Held [KCNA]	34
South Commits 'Military Provocations' in DMZ [KCNA]	34
South To Introduce Combat Equipment [KCNA]	34
Foreign Parties Urge End to 'Foal Eagle 95' [KCNA]	34
Protests Against No's 'Secret Fund' Viewed [KCNA]	35
Demands To Open 'Slush Funds' to Public Viewed [KCNA]	35
Lawmaker Claims Kim Yong-sam Received Money [KCNA]	35
NDFSK Demands Arrest of Former President No [KCNA]	36
Thorough Investigation of No Scandal Demanded [KCNA]	36
South 'Ardently Revering' Kim Chong-il [KCNA]	36
WPK Hosts Reception for Russian Communist [KCNA]	37
Russian Communist Chairman Visits Memorial [KCNA]	37
Russian Communist Leaders Visit Statue [KCNA]	37
Agreement Signed With WFP on Providing Rice [KCNA]	38
Foreign Ministry Comments on Rabin Assassination [Pyongyang Radio]	38
Foreign Ministry on Opposition to Terrorism [KCNA]	38
Report on Departures, Arrivals of Delegations [KCNA]	38
Hwang Chang-yop Meets Chinese Delegation [KCNA]	39
Najin-Jilin Liner Transport System Established [KCNA]	39
Kong Chin-tae Meets With Japanese Group [KCNA]	39
'Shameless Sophism' of Japanese Government Viewed [KCNA]	39
North, Japanese Groups Agree on Exchanges [KCNA]	40
Daily Criticizes Eto's Remarks on Korea [KCNA]	40
Federation of Korean Buddhists in Japan Meets [KCNA]	41
Cambodian Embassy Marks Independence Day [KCNA]	41
Premier Sends Messages to Cambodian Leaders [Pyongyang Radio]	41
Overseas Groups Pay Homage to Kim Il-song [KCNA]	41
Vice President Yi Chong-ok Meets Thai Group [KCNA]	42
Indonesian President Supports 'Just Cause' [KCNA]	42
Pyongyang Meeting Marks Angolan Independence [KCNA]	42
Papers Observe Angolan 20th Anniversary [KCNA]	42
Foreign Ministry Welcomes Developments in Balkans [Pyongyang Radio]	43
Foreign Ministry on Bosnian Peace Talks [KCNA]	43

Peruvian Organizations Denounce Exercise [KCNA]	43
Foreign Ministry Delegation Departs Pyongyang [Pyongyang Radio]	43
Kim Chong-il Sends Broadcasting Workers Tables [KCNA]	44
Kim Chong-il Receives Gift From Thai Party Leader [KCNA]	44
Anniversary of Kim Chong-il Work Marked [KCNA]	44
Ceremony Marks 50th Anniversary of Stadium [KCNA]	44
Ceremony Marks 50th Anniversary of Daily [KCNA]	45
Yi Chong-ok Attends Ceremony [Pyongyang Radio]	45
Article Praises Greatness of Kim Chong-il [Pyongyang Radio]	45
Daily Introduces New Finance Law [MINJU CHOSON 15 Oct]	50
Daily Elaborates on New Finance Law [MINJU CHOSON 18 Oct]	52
Socialism Promises Society 'Highest Development' [KCNA]	53
Daily Views WPK's Sports Policy [KCNA]	54
Meeting Marks Anniversary of Publishing House [KCNA]	54
LSWYK Young Vanguard Meet [KCNA]	55
Over 130 Islets Linked to Land in 50 Years [KCNA]	55

South Korea

U.S. Urged To Probe Records of No's Daughter [YONHAP]	56
GAO Report Cited as Evidence of Wrongdoing [YONHAP]	56
Police Hand Over U.S. Soldier to MP's [CHUNGANG ILBO 10 Nov]	56
Two U.S. Soldiers Arrested for Offenses [HANGYORE SINMUN 13 Nov]	56
Correction on Kim Chong-il Reportedly Using Fund [CHUNGANG ILBO 13 Nov]	57
Daily Analyzes 'Progress' of Reactor Talks [CHOSON ILBO 13 Nov]	57
North 'May Adopt' Collective Leadership [YONHAP]	58
Russia Conveys Draft of North Friendship Treaty [YONHAP]	59
Defector Estimates North's Total Grain Output [CHUNGANG ILBO 13 Nov]	59
'Individual Patch Farming' Popular in North [CHUNGANG ILBO 23 Oct]	60
Defector Compares Agricultural Systems, Output [CHUNGANG ILBO 30 Oct]	60
PRC President Jiang Zemin Arrives in Seoul [YONHAP]	62
Kim Yong-sam on Jiang Zemin Visit, Budget [YONHAP]	62
Reportage on Results of Japan's Eto's Remarks	62
Not To Receive Visit Offer [YONHAP]	62
Steps Urged Against Eto [YONHAP]	63
Seoul 'May' Scrap Summit [YONHAP]	64
Seoul Considers Envoy Recall [YONHAP]	65
Japan Considers Special Envoy [KYONGHYANG SINMUN 13 Nov]	65
Seoul Urges Eto Firing [YONHAP]	65
Eto Resigns [YONHAP]	66
South Agrees To Go Ahead With Japan Summit [YONHAP]	66
President Excludes Business Leaders From Trip [THE KOREA TIMES 11 Nov]	66
Official Urges Separate Discussion of Agriculture [THE KOREA HERALD 10 Nov]	67
Prosecution Finds Evidence of Bribery [THE KOREA HERALD 10 Nov]	67
No's Funds Confirmed as Business Bribes [YONHAP]	68
Prosecution To Summon No's Brother [YONHAP]	68
Prosecution May Summon No Tae-u's Family [YONHAP]	69
Prosecution Traces Accounts Owned by No's in-Law [THE KOREA HERALD 11 Nov]	69
Business Groups That Broke Law To Be Punished [YONHAP]	69

Party Leader Tries To Deflect Public Criticism [<i>THE KOREA HERALD 11 Nov</i>]	70
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SOUTHEAST ASIA

Burma

U.S. Assisting SLORC 'To Destroy' MTA [<i>BurmaNet News</i>]	71
SLORC Reportedly Seizes Thai Boats, Crew [<i>Radio DVOB</i>]	71
Thai Foreign Minister, Party Arrive in Rangoon [<i>Rangoon Radio</i>]	71
Received by Khin Nyunt [<i>Rangoon Radio</i>]	71
Than Shwe Plans To Meet ASEAN Leaders [<i>BANGKOK POST 13 Nov</i>]	71
SLORC Issues Restriction on Shan State Army [<i>BurmaNet News</i>]	72
Democratic Alliance Holds Executive Meeting [<i>London International</i>]	73
Chin National Front Foreign Officer Interviewed [<i>London International</i>]	73

Brunei, Malaysia & Singapore

Malaysia

Police Detain 16 More Illegal Burmese Immigrants [<i>BERITA HARIAN 10 Nov</i>]	74
Concern Expressed Over SRV Refugees Proposal [<i>Kuala Lumpur International</i>]	74
'Continued Commitment' to APEC Reaffirmed [<i>BERITA HARIAN 13 Nov</i>]	74
Minister on Foreign Media Coverage of Politics [<i>THE STAR 13 Nov</i>]	75

Singapore

Malaysian Minister Discusses APEC Disunity [<i>THE STAR 9 Nov</i>]	76
Daily Warns About Possible APEC Collapse [<i>BUSINESS TIMES 10 Nov</i>]	76
Lesotho Invited To Establish Trading Relations [<i>Maseru Radio</i>]	77

Cambodia

'Massive' Logging Concession Given to Indonesia [<i>THE CAMBODIA TIMES 29 Oct-4 Nov</i>] ..	77
King on 'Fair' Elections, 'One China' Policy [<i>THE CAMBODIA TIMES 29 Oct-4 Nov</i>]	77
Rangsi Launches Khmer Nation Party Despite Ban [<i>REAKSMEI KAMPUCHEA 11 Nov</i>]	78
Khmer Rouge Criticizes Land Sale in Angkor Zone [<i>Radio PGNUNS</i>]	79

Indonesia

Minister Denies Involvement in Expulsion Issue [<i>ANTARA</i>]	80
Failed 'Peace Pilgrimage' to East Timor Reported [<i>INDONESIA Listserv</i>]	80
DILI Security Checks, Patrols Conducted [<i>KOMPAS 13 Nov</i>]	81

Laos

Deputy Prime Minister Khamphoui Leaves for China [<i>KPL</i>]	82
President Receives Thai Foreign Minister [<i>Vientiane Radio</i>]	82

Philippines

Spratlys, Other Accords Signed With SRV [<i>BUSINESS WORLD 9 Nov</i>]	83
Tight Security Ordered for Subic APEC Meeting [<i>THE MANILA CHRONICLE 8 Nov</i>]	84

Thailand

Chawalit Reports Improved Ties With Neighbors [<i>THE NATION 4 Nov</i>]	85
Killing of Fishermen Causes Tension With Burma [<i>THE NATION 11 Nov</i>]	85

Article Examines Regional 'Arms Race' [BANGKOK POST 10 Nov]	86
Effects of Rice Debate at APEC Meeting Viewed [THE NATION 13 Nov]	88
Editorial Favors Money-Laundering Bill, Debate [THE SUNDAY POST 5 Nov]	90
Wathana Supports Bill Against Money Laundering [THE NATION 8 Nov]	90
Government Concentrating on 'Smooth Transition' [THE NATION 4 Nov]	91
Foreign Minister Kasemsamoson Profiled [BANGKOK POST 4 Nov]	92
BOT Reinstates Strict Institutional Oversight [THAILAND TIMES 4 Nov]	94

Vietnam

U.S. Transportation Secretary's Visit Viewed [Hanoi International]	94
Visiting British Trade Minister Discusses Ties [Hanoi International]	95
External Political, Economic Activities Viewed [Hanoi International]	95
'New' Foreign Relations Policy Examined [London FINANCIAL TIMES 13 Nov]	96
Warning Against Leaks of National Secrets Noted [QUAN DOI NHAN DAN 21 Oct]	97
Article Views 'Peaceful Evolution Schemes' [TAP CHI CONG SAN Oct]	99

AUSTRALASIA

Australia

Envoy to Nigeria Recalled To Protest Execution [Melbourne International]	103
Evans Welcomes SRV Deportation of Dissidents [Melbourne International]	103
Two Indonesian Boats Seized in Kimberley Region [Melbourne International]	103
'Insufficient Competition' Main Economic Problem [THE AUSTRALIAN FINANCIAL REVIEW 27 Oct]	103
International Plans for Space Launches Viewed [THE AUSTRALIAN FINANCIAL REVIEW 23 Oct]	104

French Polynesia

Tahiti Assembly Adopts Draft Law on Autonomy [Wellington International]	105
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Papua New Guinea

Australian Envoy: Need for Infrastructure Funding [Melbourne International]	105
Officials Deny Indonesian Military Build-Up [Melbourne International]	105

CHOGM Gives Nigeria Two Years 'To Improve'

*BK1211121495 Melbourne Radio Australia
in English 1100 GMT 12 Nov 95*

[FBIS Transcribed Text] Commonwealth Heads of Government Meeting [CHOGM] in New Zealand has announced the ultimatum for Nigeria to improve its political and human rights record or face expulsion from the group. New Zealand's prime minister, Jim Bolger, said Nigeria was being given two years to take action towards what he called an acceptable approach to government. He said the issue of sanctions against Nigeria would be left up to individual members of the Commonwealth. Mr. Bolger added that the Commonwealth has decided to set up a special committee of eight foreign ministers to monitor human rights abuses and nondemocratic governments in member countries. The threat to expel Nigeria from the Commonwealth came a day after a decision to suspend Nigeria's membership of the group. That decision was made after news was received in Auckland that nine political activists in Nigeria had been executed.

A number of Commonwealth countries, including Australia and Britain, also announced the recall of their high commissioners from Nigeria. Britain said it was also implementing an immediate arms embargo against Nigeria's military government.

The current Nigerian Government is led by General Sani Abacha, a former defense minister who took power two years ago. Gen. Abacha has said that Nigeria will move towards democracy in about three years.

Nigerian Minister Rejects Censure

*BK1311022795 Melbourne Radio Australia
in English 0100 GMT 13 Nov 95*

[FBIS Transcribed Text] Nigeria's foreign minister, Chief Tom Ikimi, has rejected Commonwealth's criticism of his country as the organization's heads of government meeting enters its final day in New Zealand. As Linda Curtis reports, the foreign minister says the decision to suspend Nigeria's membership is unfair and unjustified:

[Begin recording] [Curtis] Foreign Minister Ikimi says the Commonwealth has taken a big gamble with its decision to suspend Nigeria. He has called for the Commonwealth to scrutinize other countries to see if they are adhering to principles on human rights and democracy:

[Ikimi] Where we find any member in default [word indistinct] should not hesitate to suspend or expel that member. Until this happens, what has been done in

respect of my country would stand as (?a mockery); discriminatory and grossly unfair.

[Curtis] He says the decision was taken in undue haste based on media reports executions of nine activists had been carried out. He says he has had no official notice they have gone ahead, but has also refused to comment on the fate of the activists.

Malaysia's prime minister, Dr. Mahathir, says the leaders independently confirmed the death sentences had been carried out. He has defended the Commonwealth action, saying Nigeria has gone too far.

Mahathir on Suspension of Nigeria

*BK1211135595 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 12 Nov 95*

[FBIS Translated Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed said Nigeria's action of hanging nine human right activists challenged the Commonwealth. The suspension by the Commonwealth Head of Government Meeting [CHOGM] of the country's membership was a message to Nigeria to improve its democratic process. Dr. Mahathir responded to questions from reporters in Queenstown, New Zealand.

[Begin recording, in English] [Mahathir, in progress].. well, the Commonwealth is without any power of enforcement. There is really very little we can do. So, we have to send a message to them that this is not something that we can accept, especially as the Commonwealth is sitting at the moment and they know very well that we are going to appeal to them to commute the sentence. But apparently they carried out the sentence the sentence while we are having the meeting, and I think this is, well, not in keeping with the spirit of the Commonwealth.

[Unidentified correspondent] Concerning a time frame, there will be a time frame to determine whether they should be expelled, how long would you like that time frame to be?

[Mahathir] Well, we have to give them time to show that they sincerely mean to implement the democratic process. If we see any evidence of that, then, of course, we will have to wait.

[Correspondent] Well, would you say that a period of time was being set.. I mean, a year, two years, something along those lines?

[Mahathir] Well, six months, a year ... we should see some evidence of a serious move towards carrying out what they promised, that they are returning to a democratic process. [end recording]

The decision made by the CHOGM was in compliance with the Harare Declaration with regard to human rights.

Solomon Islands Vote 'Mistake'

LD1311100395 Melbourne Radio Australia in English 0700 GMT 13 Nov 95

[FBIS Transcribed Text] A Solomon Islands government official says a mistake was made at the Commonwealth Heads of Government Meeting at the weekend, when Solomon Islands was counted as one of the nations opposing the suspension of Nigeria from the organization. Solomons Director of Information Johnson Honomai says Prime Minister Solomon Mamaloni had wanted to speak and that his raised hand was counted by mistake as a vote in support of Nigeria. When asked to clarify the mistake, the Commonwealth Secretariat said in a statement that the Solomons had withdrawn its reservation. But Mr. Honomai said that this was also wrong, as Solomon Islands never opposed the proposals for suspending Nigeria.

Mahathir Suggests North Sea for Nuclear Tests

LD1311100795 Wellington Radio New Zealand International in English 0800 GMT 13 Nov 95

[FBIS Transcribed Text] Malaysian Prime Minister Dr. Mahathir Mohamad has delivered a strong message about nuclear testing during a media conference at the Commonwealth Heads of Government Meeting in Auckland, which ended today. Dr. Mahathir said Malaysia condemns entirely the possession of nuclear arms at this stage in the world's development. He said in the past there may have been some justification, but there is absolutely no justification now:

[Begin Mahathir recording] We would condemn anyone who does any testing, anywhere. If they want, they must do the testing, the French must do the testing, I would suggest the North Sea would be a very fine place. [end recording]

Malaysia's Mahathir Voices Doubts on APEC

BK1311031395 Melbourne Radio Australia in English 0100 GMT 13 Nov 95

[FBIS Transcribed Text] Malaysia's prime minister, Dr. Mahathir, has again expressed reservations about an Asia-Pacific free trade zone. The matter will be discussed at the Asia-Pacific Economic Cooperation group, APEC, meeting in Osaka this week, but Dr. Mahathir said that he is concerned about Malaysia and how it will fare against APEC's many powerful economies.

Other matters that had to be dealt with included Malaysia's balance of payments problem, including a

surplus in trade with the United States and a big deficit with Japan. Speaking at the CHOGM [Commonwealth Heads of Government Meeting] meeting, Dr. Mahathir also said that Japan should not be forced to open its agricultural market:

[Begin Mahathir recording] We know there is a special problem with regard to agriculture in Japan, and it is no good agreeing only to find that your government will topple because of your willingness to agree to something that is due to external pressure, but internally it is not quite acceptable. I don't think it is the end of the world if you can't export agricultural products to Japan. There are other things that we can export to Japan. So I would not hold Japan down to 2010 [agreed deadline for trade liberalization for developed APEC members]. [end recording]

Criticizes Structure of APEC

BK1311093695 Kuala Lumpur Voice of Malaysia in English 0800 GMT 13 Nov 95

[FBIS Transcribed Text] The Asia-Pacific Economic Cooperation, APEC, forum should not be structured and should have programs to help the less developed countries. Datuk Sri Dr. Mahathir Mohamed, in stating this, adds that unlike the Commonwealth, the APEC includes some powerful economies.

Speaking in Auckland, New Zealand, after the Commonwealth Heads of Government Meeting, the prime minister said APEC had no common background but is made up of competing economies. The 18-member APEC is due to hold its second [as heard] informal summit in Osaka next Sunday, but the impasse between the East Asian members and the others over the liberalization of farm trade is threatening to shackle the summit.

Malaysia has voiced reservations on the proposed time frame for liberalization. Dr. Mahathir said he felt quite happy to attend the Osaka summit, which he was quite sure, would be fruitful.

Asked if he has given up the idea of the East Asian Economic Caucus, EAEC, the prime minister replied strongly in the negative.

APEC Summit in Osaka Previewed

BK1311085095 Bangkok THE NATION in English 13 Nov 95 pp A1,A2

[Report by Chirawat Na Thalang]

[FBIS Transcribed Text] Osaka — Leaders from Asia-Pacific countries have seen their vision of a free trade community in the region develop at great speed.

Now the time has come for them to roll up their sleeves and put all the talk and signing of agreements into action.

Their mission in Osaka this month is to implement "free trade" as envisioned by the Bogor Declaration. Last year Indonesian President Suharto lead his counterparts in endorsing the landmark declaration, which sets the ambitious goal of achieving free and open trade within the region by 2020.

Japan has come under pressure to demonstrate its leadership by coming up with a game plan so that an Apec free trade regime can be realized using the spirit of the Bogor Declaration.

Trade liberalization within Apec will have to be conducted across the board, without sparing any sector.

If such plans come to fruition, Apec trade liberalization is likely to go beyond the boundaries of the World Trade Organization (WTO).

Currently, the WTO covers only industrial and agricultural goods. But if Apec is to gain respect, it has to advance beyond the aims of the WTO to create a free flow of goods, services and capital.

Tough action needs to be undertaken. This includes the dismantling of tariffs and non-tariff barriers; the setting up of industrial standards, certification procedures, customs rules and procedures; identifying dispute mediation needs, government procurement, competition policies, investment, intellectual property rights, services, rules of origin, human resource development, the environment, energy and deregulation.

The big question is how Apec will interact or overlap with the WTO. Fears have already been expressed about the possibility of it becoming a trade bloc against the European Union.

So far efforts to define Apec free trade are scant. Australian Foreign Minister Gareth Evans reckoned that Apec is like a group of soul-searching adjectives looking for a noun. The Osaka summit should shed more light on the meaning of Apec.

The first contentious issue facing the meeting leaders is whether liberalization should cover all the economic sectors. The buzzword during the several rounds of talks was on so-called "comprehensiveness".

Japan, Taiwan, China and South Korea have indicated that they do want to commit themselves to comprehensive trade liberalization. They want to maintain some flexibility in the agricultural sector, a source of domestic political concern.

Critics have asked why there is so many worries over the Apec agreement since there is no legal commitment to follow the guidelines.

Moreover, all Apec members, except China, are members of the WTO, which requires members to open up their agricultural markets.

The answer lies more in style than in substance. Some Apec members are wary about the evolutionary speed of Apec. The General Agreement on Tariffs and Trade (GATT) struggled for seven years before it completed the multilateral trade talks which covered manufactured goods and farm produce.

The Apec liberalization has evolved rapidly without any serious negotiation. United States President Bill Clinton, in 1993, started the Apec free market process when he announced his vision for the community at the first Apec summit in Seattle.

Next year in Manila, each member will be urged to submit their plans for liberalization.

With significant progress, it would not be an exaggeration to say that it will take Apec only four years to complete liberalization (from 1993-1996).

The follow-up question is whether Apec will transform itself into a trade bloc. This hinges on Apec leaders; whether they will allow non-members to enjoy the Apec free market concessions or to limit the benefits only to those who reciprocate on benefits.

US officials want to limit the prospective Apec free trade concessions to members only and those outsiders who agree to a trade off, for fear of creating a loophole for any "free rider" to cash in on the benefits of Apec.

Other members, including Thailand, insist that they would only support the non-discrimination agreement.

Kroekkrai Chiraphaet, director general of the Business Economics Department at the Commerce Ministry, said: "The clear Thai position is that we don't want to see Apec discriminate against non-members."

The Most-Favoured-Nation (MFN) controversy within Apec is even more complicated. How would the US deal with China under the Apec free trade regime?

The US has made it clear that it will only open up its markets to countries that make reciprocal offers to US industries. Bilateral negotiation will continue to be its trade weapon.

Currently, the US administration is required to seek Congressional approval for an annual extension of MFN to China, and bases it on human rights. As a result,

President Clinton could not decide how to deal with China on his own without approval by Congress.

The final question is how strong should, the prospective agreement of Apec be? The answer lies in what Apec officials agree on in terms of "comparability", which Apec members will use to monitor the liberalization pace.

Thailand has insisted on keeping the comparability in loose terms. Otherwise, as pointed out by Kopsak Chutikun, director general of the Economic Affairs at the Foreign Ministry, once members are required to compare the liberalization process, Apec might turn out to be a trade negotiating forum.

Australia, New Zealand, Canada, Hong Kong and Singapore want strong wording when it comes to the comparability principle of Apec.

But Thailand has argued that members should be allowed to work along their own guidelines. .

APEC Senior Officials Begin Talks in Osaka

*OW1311012095 Tokyo KYODO in English
0027 GMT 13 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 13 KYODO — Senior officials from the Asia-Pacific Economic Cooperation (APEC) forum began final adjustment of views on APEC's pending issues on Monday ahead of higher ministerial and summit meetings of the forum later this week.

Vice ministerial-level officials from the 18 economies in the Asia-Pacific rim, an area that accounts for nearly 50 percent of global trade, meet Monday and Tuesday at an Osaka hotel adjacent to Osaka Castle, the venue of the third informal APEC summit on Nov. 19.

They are meeting for the sixth time under the APEC Japan round that began in Fukuoka in February.

The senior officials are dealing with a range of topics related to APEC's three major pillars — trade liberalization, trade facilitation and economic cooperation within the APEC region.

Discussion is focusing on the most contentious area — how to liberalize trade and investment in the area, with viewpoints differing among members according to economic development stage, Japanese Government sources said.

Pending issues left unsettled in the previous high-level meetings — in Singapore, Sapporo, Hong Kong and Tokyo as well as Fukuoka — include general principles for the action agenda, a blueprint for action to realize APEC's trade-freeing goal envisioned by APEC leaders in Bogor, Indonesia, last November, the sources said.

In the Bogor Declaration, the leaders committed themselves to achieving free trade and investment in the APEC area by 2010 for industrialized economies and by 2020 for developing economies.

A solution to APEC's thorniest issue, agriculture, is looming large ahead of a two-day ministerial meeting from Thursday, following a recent compromise proposal by Japan, chair of this year's APEC round.

At issue is whether APEC's trade-freeing accords should be applied to all industrial sectors in a comprehensive manner.

Japan supports the "comprehensiveness" principle but also seeks "flexibility" in the principle's actual enforcement in accordance with "the sectoral specificity" in each member economy.

The "diversity" principle, a principle which is meant to ensure flexibility but has met with opposition from the majority of APEC members as virtually excluding agriculture from comprehensive trade liberalization, will be softened in the final action agenda in order to win consent from antagonist members, the sources said.

"This paved the way for the resolution of APEC's most difficult issue in time for the start of the forum's ministerial meeting next Thursday," said the sources.

Another difficult issue to be coordinated before the ministerial meeting is APEC's principle of "nondiscrimination."

Feuding over the issue reflects confrontation between the U.S. and China over most-favored-nation (MFN) status.

Beijing claims nondiscriminatory or MFN treatment should be ensured within the APEC members but Washington is cautious on the matter.

In line with domestic U.S. law, the U.S. must make a decision annually on whether to renew MFN status for Beijing.

"Beijing is eager to establish a nondiscriminatory rule within the APEC region because it has undergone rigorous screening by the U.S. in annual MFN renewal," a Japanese Trade Ministry official said.

Adjustment of views is also necessary regarding to what extent each APEC member should seek reciprocity in implementing certain trade liberalization steps.

APEC economies such as the U.S. are said to be seeking a rigid rule for the "comparability" principle while China and Malaysia appear reluctant about introducing a negotiation-oriented approach in APEC.

Japan

Murayama, Clinton To Reaffirm Security Ties

OW1011085595 Tokyo KYODO in English
0847 GMT 10 Nov 95

[FBIS Transcribed Text] Washington, Nov. 10 KYODO — Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton will endorse the importance of the bilateral security system in a joint statement to be released after their meeting Nov. 20 in Tokyo, officials said Friday [10 November].

Deputy Foreign Minister for Economic Affairs Kazuo Ogura visited Washington and conferred with U.S. officials Wednesday and Thursday on the content of the declaration.

They agreed the proclamation will have three main pillars — the security arrangements, bilateral economic and trade ties, and cooperation on global issues.

The statement will emphasize the fruits of the comprehensive bilateral trade talks.

The U.S. officials expressed concern over the possibility that the Sept. 4 rape of a Japanese schoolgirl, allegedly by three U.S. servicemen, may strain the bilateral security system.

The United States also said Murayama and Clinton should discuss giving fresh importance to the security setup, the Japanese officials said.

The U.S. conferees were also quoted as saying auto and other main parts of the trade talks have been settled and that trade disputes should not affect bilateral ties.

Many of the U.S. officials asked Japan, which will host top-level meetings of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka next week, not to retreat from APEC's comprehensive free trade and investment initiatives.

Japan, along with South Korea, China and Taiwan, has argued the agricultural sector should be treated flexibly concerning the free trade and investment goals.

The APEC gathering in Osaka, western Japan, will discuss ways to liberalize trade and investment in the Pacific rim region by 2010 for developed APEC members and 2020 for developing partners.

Clinton, due to arrive in Japan on Nov. 19, will attend a welcome ceremony at the Akasaka State Guesthouse and have an audience with Emperor Akihito and Empress Michiko at the Imperial Palace on the morning of Nov. 20, said Japanese Foreign Ministry officials in Tokyo.

Murayama and Clinton will hold a joint press conference after their summit, their fifth in nearly a year and a half, the officials said, adding the President will attend a banquet to be hosted by the emperor in the evening.

Clinton is scheduled to start Nov. 21 with a breakfast meeting sponsored by the American Chamber of Commerce and Industry in Japan. He will then deliver a speech at Tokyo's Aoyama Gakuin University.

At noon, the U.S. leader is to attend a luncheon party to be hosted by Murayama at a Tokyo hotel, with many leaders in business and other circles attending.

Clinton will meet again with the imperial couple at the Akasaka Guesthouse before leaving Japan in the evening, the officials said.

Agenda for Murayama-Clinton Summit Revealed

OW1111072595 Tokyo KYODO in English
0701 GMT 11 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO — Prime Minister Tomiichi Murayama and U.S. President Bill Clinton will reaffirm the importance of the bilateral security alliance and U.S.-Japan cooperation on global and Asia-Pacific affairs in upcoming summit talks, government sources said Saturday [11 November].

The leaders, who are slated to meet Nov. 20 after the informal summit of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka, will also discuss expanding human exchanges including ways to increase the number of U.S. students studying in Japan, the sources said.

In a joint statement both sides are expected to spell out the future handling of bilateral cooperation based on the principle of "constructive partnership" including in the security field.

They will underline that the bilateral security treaty and related agreements have contributed to peace in the region, while defining the future role of the military alliance.

The statement will also pledge joint efforts to restructure, consolidate and reduce U.S. military bases in Japan's southernmost prefecture of Okinawa, although the U.S. side still has reservations about including a direct reference to possible base reductions. Both sides are currently discussing the matter, the sources said.

The leaders will also point out that despite the end of the Cold War there is latent instability in the region due to tension between North and South Korea as well as uncertainties about China's future course, the sources said.

On the insistence of Washington, the bilateral security cooperation will be spelt out in detail mentioning the early conclusion of an acquisition and cross-servicing agreement, the U.S.-proposed theater missile defense scheme, defense technology cooperation and United Nations peacekeeping operations.

The statement will also broach global matters of bilateral concern such as the environment and the APEC forum, the sources said.

New Envoy to U.S. Against Amending SOFA

OW1011091395 Tokyo KYODO in English
0906 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — The Japanese Government should make efforts to seek appropriate site in mainland Japan to transfer some of the U.S. military facilities from Okinawa Prefecture so as to ease the prefecture's burden, Japan's newly appointed ambassador to the United States said Friday [10 November].

"U.S. bases are concentrated on Okinawa. The government should naturally consider ways to even that burden," said Kunihiko Saito, who will replace Takakazu Kuriyama as the new Japanese envoy to Washington.

Some 75 percent of the U.S. military facilities in Japan are located on Okinawa.

He said the government should not give up just because it is difficult to find appropriate land.

Saito said, however, that it is up to the U.S. to decide the scale of U.S. troops in Japan, which currently stands at 47,000.

The former vice foreign minister stressed the importance of Japan's security alliance with the U.S., saying the U.S. military presence is indispensable for the safety of Japan and the rest of Asia.

He also said the Japanese Government should step up efforts to seek public understanding on the importance of the security alliance and the fact that Japan "cannot take any risks" by harming the alliance if it wants to ensure its security.

Japan and the U.S. are preparing to "reconfirm" the importance of the bilateral security alliance during the upcoming summit meeting between Prime Minister Tomiichi Murayama and U.S. President Bill Clinton, he added.

Saito also expressed a negative stance toward amending an agreement with the U.S. on the status of U.S. military personnel stationed in Japan.

Saito told a press conference that he thinks it is possible to solve problems involving the U.S. bases in Okinawa by improving the implementation of the Status of Forces Agreement.

"Amending the agreement would take time because it will be necessary to examine various aspects (of the accord)," he said. "At least for now, the Japanese and U.S. Governments are trying to solve the problems by sharply improving the implementation of the agreement, and I think that stance is right."

Saito is expected to formally assume the new post in Washington late next month.

Upper House Endorses Defense Accord With U.S.

OW1011022295 Tokyo KYODO in English
0127 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — The House of Councillors on Friday [10 November] approved a new defense agreement increasing Japan's financial obligations for maintaining U.S. troops in Japan through March 2001.

The accord was endorsed at a plenary session of the upper house after support from ruling coalition parties, such as the Liberal Democratic Party and the Social Democratic Party, overwhelmed opposition forces, including the Japanese Communist Party.

The House of Representatives passed the new defense pact on Tuesday.

The host-nation support pact, signed in September by Foreign Minister Yohei Kono and U.S. Secretary of State Warren Christopher, is known as the "special measures agreement."

Prime Minister Tomiichi Murayama stressed at a Diet session the need for the new agreement in light of Japan's demands that U.S. military bases in Okinawa be consolidated and reduced in size.

Murayama wanted to clinch the accord prior to his talks with U.S. President Bill Clinton on Nov. 20.

The new accord, which will go into effect April 1, 1996 and remain in effect until March 31, 2001, will increase financial support from the Japanese side by about 3 billion yen in the initial fiscal year.

Tokyo pays some 620 billion yen annually, or about 70 percent, of the expenses for facilities and utilities, wages for Japanese base workers, and other outlays for maintaining U.S. bases in Japan.

The accord also requires Japan to pay the wages of an additional 418 Japanese workers to be hired at U.S. bases, which currently employ 22,637 Japanese workers.

Tokyo will also cover the cost of relocating training exercises to new military exercise sites, if requested by Japan. This could include nighttime aircraft takeoff and landing drills on the island of Iwo Jima in the western Pacific, instead of from Atsugi Base outside Tokyo.

SDPJ Urges Halving U.S. Troops on Okinawa

OW0911132495 Tokyo KYODO in English
1310 GMT 9 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 9 KYODO — Prime Minister Tomiichi Murayama's Social Democratic Party (SDPJ) of Japan [SDPJ] on Thursday [9 November] drafted a basic plan calling for halving the U.S. military presence in Okinawa by 2010.

The scheme, approved by a meeting of SDP policy planners, stresses the need for the government to urge the United States to review its policy of maintaining 100,000 U.S. troops in Asia, including 47,000 in Japan, in attaining a cut in the U.S. military presence in Okinawa.

Specifically, it proposes an offshore helicopter base to realize an early return of land used for the Futenma Air Base, one of the facilities which the U.S. has agreed to return to Japan.

The scheme also calls for concentrating U.S. Marines in Okinawa mainly into Camp Hansen and relocating them to other parts of Japan and foreign countries in a step-by-step manner.

It also calls for moving some functions of the Kadena Air Base to U.S. bases outside Okinawa.

Okinawa is home to 75 percent of U.S. military facilities in Japan.

Further on SDPJ Scheme

OW1111141795 Tokyo ASAHI SHIMBUN
in Japanese 10 Nov 95 Morning Edition p 2

[FBIS Translated Text] As of 9 November, the Security Issue Research Council of the Social Democratic Party of Japan [SDPJ] (with Shigeru Ito as chairman) had worked out a basic scheme for realigning and reducing U.S. military bases located in Okinawa Prefecture. The scheme proposes that the system of deploying 100,000 U.S. forces in East Asia (with 47,000 stationed in Japan) "should be reexamined at an early time." It also suggests that in concrete terms, measures should be taken to reduce this strength by such measures as "realignment, reduction and return" of military bases, including "consolidation and dispersion" of bases among the continental United States, Hawaii, Guam and mainland Japan. The Council maintains that "both the quality and quantity of strength can be reduced to about half of

the current scale" by 2010 through a program of three 5-year stages beginning next year.

In concrete terms, the basic scheme proposes that measures should be taken to concentrate Marines that account for the majority of the U.S. forces on Okinawa into Camp Hansen and Camp Courtney or to disperse them to other parts of Japan and foreign countries; and that the feasibility of setting up an offshore helicopter base to realize the complete return of land used for the Futenma Air Base should be studied.

As for detailed plans, talks should be held at the new Japan-U.S. consultative organ or the consultative organ to be set up between the central and prefectural governments, and efforts should be made to complete the program in three stages. While proposing that the three cases on which an accord was reached last January, including the case of the Naha port facilities (Naha Naval Port), should be settled by the end of this century, the scheme also suggests that sufficient time should be spent on the issue concerning the return of the land used as the Futenma Air Base.

Meanwhile, the Coordinative Council on the Foreign and Defense Affairs of the ruling coalition parties decided on 9 November that after studying the "10-point request for revising the Japan-U.S. Status of Forces Agreement [SOFA]" submitted by Okinawa Governor Masahide Ota at his talks with Prime Minister Tomiichi Murayama, it would work out its recommendations to the Government.

The Council expects to include proposals for improving SOFA implementation and for working out a supplementary articles that can be achieved at an early time. For example, easily recognizable license plates for U.S. military vehicles should be installed, and U.S. military and other concerned personnel should be subjected to quarantine inspection.

Daily on Proposal for Reduction of U.S. Bases

OW111115495 Naha RYUKYU SHIMPO
in Japanese 9 Nov 95 Morning Edition p 1

[FBIS Translated Text] Tokyo — The full text of the Social Democratic Party of Japan's [SDPJ] "basic concept proposal on the reorganization and retrenchment of U.S. military bases on Okinawa" was revealed on 8 November.

In its proposal, which was formulated by the party's Policy Board (chaired Nobuyuki Sekiyama), the SDPJ calls for the review of the presence of 10,000 U.S. military troops in East Asia, if not a drastic change in the presence. It then emphasizes the need to formulate a plan to reorganize, reduce, and return the U.S. military

bases on Okinawa. The SDPJ believes that if the bases were consolidated and relocated to somewhere in mainland Japan and foreign countries such as the United States, the "quality and quantity" of the Okinawa bases would be reduced by half by 2010.

Policy Board Chairman Sekiyama, Foreign Affairs Division Chief Shigeru Ito, Security Division Chief Shun Oide, and Diet Operation Division Chief Kenji Taguchi formulated the proposal based on a draft worked out by SDPJ Vice Chairman Kosuke Uehara. The SDPJ intends to present the proposal to the government and ruling party partners as a realistic, feasible political proposition for dealing with the Okinawa base problems without impairing the significance or role of the Japan-U.S. Security Treaty or United States' East Asian strategy.

According to the proposal, the bases on Okinawa will be consolidated and relocated not only to mainland Japan, but also to other foreign countries, including the United States.

The Marine Corps, which makes up about 70 percent of the U.S. troop strength on Okinawa, will be consolidated on Camps Hansen and Courtney. Other troops will be gradually consolidated and relocated to alternate sites at home and abroad. Measures to ensure base workers' reemployment and the effective use of the returned land must be taken concurrently with promoting the reorganization, retrenchment, and return of the Makimino Supply Depot and the Zukeran area.

To achieve the complete return of the Futenma Air Station soon, the SDPJ says that every possible option must be considered, including the construction of a helicopter base on the sea.

The idea of transferring some activities of the Air Force, which is based mainly on Kadena Air Base, to Andersen Air Base in Guam will be studied.

The Navy will be concentrated mainly at White Beach. Functions and activities that cannot be handled there will be consolidated or relocated to bases on the mainland or to the Apra Military Harbor or the Agana Air Station in Guam.

The proposal also calls for the withdrawal of the special Army units that were redeployed on Okinawa after the island's reversion, and for cutbacks in other units.

Japan, the United States, and Okinawa will actively discuss the relocation project via two new consultative organs to be formed in the near future. A flexible manner should be adopted when deciding the order of priority. The idea is to proceed with the reduction in three phases: 1996-2000, 2001-2005, and 2006-2010.

Measures to deal with problems of base workers' unemployment and compensation for military land owners that could develop from the reduction must be carefully thought out, and the SDPJ proposal maintains that the government should take necessary legal and financial procedures to realize these measures.

DA Chief Meets Governor Ota on Base Issues

OW1211060695 Naha OKINAWA TIMES in Japanese
13 Nov 95 Morning Edition p 3

[Summary of talks held between Defense Agency Director General Seishiro Eto and Okinawa Prefectural Governor Masahide Ota in Naha on 11 November]

[FBIS Translated Text] [Eto] In connection with the rape of a schoolgirl, I would like to express my apologies to the victim, the victim's family, and prefectural residents as well. Through effective work at the new consultative organ to be set up between the prefectural and state governments, and also at a new high-level Japan-U.S. consultative organ, we would like to promote realignment, consolidation, and reduction of bases in Okinawa. During my inspection tour of bases today, I called on the U.S. Military for their understanding and cooperation. In addition to the 23 cases as well as three other cases [on which an accord has been reached], we would like to put pending cases still under discussion on the agenda of these two consultative organs and deal with them seriously.

[Ota] How the issues on realignment and reduction of bases will be promoted is a task of great concerns to us. So far, these issues have not been settled the way we wished. As a result, considerable irritation can be noted among prefectural residents. I feel that we can speed up settlement of these issues if our wishes are relayed to the top responsible person (of the U.S.) through the channel of these new consultative organs.

[Eto] In response to a prefectural government request to revise the Status of Forces Agreement (SOFA), we have made considerable achievements on Item C of Section 5 under Article 7 (on handing U.S. servicemen over [to Japanese investigation organs]). In addition, there are numerous SOFA implementation issues that can be improved. Efforts will be made at the new consultative organs in this regard. We will deal with the issues (on base-related burdens) not as a task for Okinawa Prefecture alone but for all the 46 other prefectures as well, and have the burden shared by all prefectures. As for the issue of transfer of exercises conducted across Prefectural Highway Route 104, I hope that a decision will be made at an early time by a special working-level panel under the Defense Facilities Administration Agency. Through cooperation of cities, towns, and

villages (to where bases will be transferred), we will do our best to have transfer plans accepted. In any event, we will give our utmost efforts to have pains shared by the 46 [other] prefectures.

[Ota] On this small island, 31 water and 15 aerial areas are under U.S. military control. This has been an obstacle to [local] economic development. It would be difficult to build up the basis for our independent development unless SOFA is reviewed from the standpoint of our daily lives. Day and night, we are always annoyed by the situation at Futenma Air Field. If an aircraft crash should happen in civilian areas, the result would be irretrievable. The Kadena town government has called for shifting the Navy apron because it is located too close to civilian areas. The Okinawan residents will never be satisfied unless each of these problems are settled in a concrete way.

[Eto] In my opinion, progress will be made in this concern if only consultations are promoted at these new consultative organs.

Eto Pledges Efforts To Reduce Okinawa Bases

OW1111114895 Tokyo KYODO in English
1113 GMT 11 Nov 95

[FBIS Transcribed Text] Naha, Japan, Nov. 11 KYODO — Defense Agency chief Seishiro Eto pledged Saturday [11 November] to Okinawa Gov. Masahide Ota that the government will work hard to consolidate the U.S. bases on the islands by using the newly formed mechanism to discuss the issue with the United States.

In a meeting at the prefectural government building in the prefectural capital city of Naha, Eto apologized to Ota for the rape in September of a 12-year-old Okinawa schoolgirl, for which three U.S. servicemen are on trial.

The 20-minute meeting was open to media after a strong request by the Okinawa Prefectural Government.

Eto also promised that the central government would try to transfer some of the U.S. military facilities and drills in Okinawa Prefecture to mainland Japan.

Ota told the state minister the U.S. military presence is an obstacle for the prefecture to implement local development measures, and expressed his expectations for the new high-level forum of the two countries.

The new forum, to comprise senior foreign and defense officials from the two countries, was agreed Nov. 1 at a meeting among U.S. Defense Secretary William Perry, Eto and Foreign Minister Yohei Kono.

Ota also asked Eto to revise the bilateral Status of Forces Agreement, but Eto said the Japanese Government is

not trying to revise the agreement but to change its implementation.

Japan and the U.S. agreed in October to make a change in the implementation of the pact, enabling the turning over to Japanese authorities of U.S. servicemen suspected of such serious crimes as rape and murder before they are indicted.

At Camp Zukeran, a U.S. Marine facility on the main Okinawa island, Eto held talks with Maj. Gen. Wayne Rollings, the top U.S. military official of the forces stationed in Okinawa.

During the talks, Eto said the Japanese Government would maintain the bilateral security partnership and would also try to enhance it, but the consolidation or reduction of the U.S. bases in Okinawa is necessary.

Rollings apologized for the rape and said the U.S. military in Okinawa is trying to reduce the noise from its exercises and to restrict night-landing practices.

Eto told a press conference that the inspection tour gave him the impression that the bases are "an annoyance and burden" for local residents.

Daily Interviews EA Head on Okinawa Base Issue

OW1211144595 Naha RYUKYU SHIMPO
in Japanese 12 Nov 95 Morning Edition p 3

[Interview with Defense Agency Director General Seishiro Eto; date and place not given]

[FBIS Translated Text] [RYUKYU SHIMPO] You have just finished your first inspection tour of U.S. military bases in Okinawa as Defense Agency chief. What do you think of the realignment, consolidation, and reduction of bases?

[Eto] I reaffirmed my view that we have to do our best to solve the 23 base-related items plus the three items as well as the 10 items, which have to be solved at the two committees: a new consultative committee to be set up between the prefectural and central governments and the consultative committee between the Japanese and U.S. Governments. The whole Cabinet must buckle down on the issue.

[RYUKYU SHIMPO] Although the Japanese and U.S. Governments have decided on the 10 cases that have to be settled by the end of the year, what is your opinion about measures to deal with landowners? We would like to ask you about the progress in discussions on the transferring to mainland Japan the live-fire drills conducted across Prefectural Highway Route 104 — which is one of the three cases.

[Eto] In solving the 10 cases, issues resulting from the return of military land have to be followed up adequately. Within the scope of "gunten tokuso ho" [law on special measures to promote the conversion of military land], we want to take any possible measures, including financial measures, as were proposed by the ruling coalition parties. The three ruling parties and the government intend to unite to deal with the issue properly. Regarding the issue of drills across highway 104, a special working group was set up under the Japan-U.S. joint committee and its second meeting was held on 7 November. Discussions will continue from now to come to a conclusion. Once a conclusion is reached, we would like to implement it by all means.

[RYUKYU SHIMPO] What do you think of the outlook for Governor Masahide Ota's refusal of the proxy signing [of compulsory land lease contracts for military use] as well as his refusal of the circulation of notices [kokoku juran]?

[Eto] At a 4 November meeting, Prime Minister Murayama and the Governor discussed solutions. We would like to watch the situation while keeping in mind the possibility that there will be new developments before the Japan-U.S. summit meeting.

[RYUKYU SHIMPO] In connection with the governor's refusal of the proxy signing, the land lease contract concerning a facility in Yomitan Village expires in March 1996. It is feared that the prime minister will not have enough time in the future to complete legal procedures. There is a possibility that the U.S. forces will use the land illegally. How would you cope with such a situation?

[Eto] This is an extremely important issue, and we have taken it seriously. We will make every possible effort to prevent such cases. I hope that, if possible, the prime minister and the governor will hold a second round of talks to avert the situation. I think I should not delve into the issue of the governor's "refusal of the proxy signing." However, since the emergency case might possibly occur, we have to take a sufficiently flexible stance.

[RYUKYU SHIMPO] Because the local government of the alternative site for the Naha Military Port has expressed strong opposition, do you not think it is difficult to solve the case by the end of this year?

[Eto] We have not concluded that the three items [including the Naha Military Port issue] should be solved by the end of this year. I would like you to understand that that is a target date. An agreement has been reached at the Japan-U.S. joint committee on the transfer of Naha Military Port, and coordination is under

way at a working-level panel. Progress will not be made without cooperation by the prefectural authorities and local governments. The national government will do all that it can.

[RYUKYU SHIMPO] The prefectural government has presented a course of action to the national government for the return of military bases. In it, they clearly requested that all military bases be withdrawn from Okinawa by the year 2015. What do you have to say about this?

[Eto] Although the national government has not yet formally informed me of this, I saw it in local newspapers. What can the government do on it's part? We would like to look into this in all possible ways.

[RYUKYU SHIMPO] In reply to a Diet session question on the possible expiration of the land lease in Yomitan Village in March 1996, you stated that the government would "take flexible measures." Does this mean "special legislation?"

[Eto] The prime minister and the governor held the first round of talks. I believe that this issue should be solved from a broad political viewpoint. From my position, I cannot mention it (special legislation).

DA Draft Conforms to U.S. Strategic Report

*OW1111135095 Tokyo ASAHI SHIMBUN
in Japanese 8 Nov 95 Morning Edition p 2*

[FBIS Translated Text] The draft "National Defense Program Outline," which will be the guideline for defense policy in the post-Cold War era, was compiled by the Defense Agency [DA] on 7 November. It repeatedly emphasizes the importance of the Japan-U.S. security alliance and includes concrete ways to pursue bilateral cooperation under this framework.

It is evident that, in line with the redefining of the Japan-U.S. Security Treaty to be undertaken at the Japan-U.S. summit on 20 November, the draft "outline" aims at realigning Japan's defense capability with the U.S. strategy for East Asia.

However, with the present clamor to review bilateral security alliance in the aftermath of the rape of a schoolgirl by U.S. soldiers on Okinawa, it is uncertain whether the new "outline" can be formulated along the line planned by the DA.

The DA's new draft "outline" is characterized by its conformity with the U.S. "East Asia Strategic Report" (EASR) issued last February. In the report, the U.S. Defense Department defined the role of the Japan-U.S. security alliance after the Cold War.

While the EASR emphasizes the vital importance of the bilateral security alliance as a "major factor in ensuring stability in the Asian region," the new "outline" also states that the alliance is "indispensable to securing peace and stability in neighboring regions." Compared to the existing "outline," which only mentions the security alliance's role in "maintaining the stability of international relations," the new "outline" affirms its importance to "peace and stability in neighboring regions."

With regard to substantive Japan-U.S. security cooperation issues, the new "outline" stresses the need to take concrete steps to increase cooperative projects, such as conducting joint training and exercises that are not found under the present "outline," and to improve the effectiveness of U.S. forces deployed in Japan.

With regard to the role of the security alliance's defense capability, the draft "outline" calls for working for the efficient operation of Japan-U.S. security arrangements in the event of a conflict in Japan's vicinity, and includes such new missions as UN peacekeeping operations (PKO). These all conform with the EASR's expectations about Japan.

The new "outline" has been drafted in tandem with the redefining of the security treaty by Japan and the United States. In that sense, the new draft "outline" can be considered Japan's "response" to the EASR.

The DA wants to finalize the new "outline" by late November, after coordinating with the government and the ruling parties. However, the Social Democratic Party of Japan and other groups are making strong demands for the further reduction of the Self-Defense Forces (SDF), although the existing "outline" already includes a partial reduction of the SDF as one of its main pillars. There is also concern that the new "outline's" conformity with U.S. strategy may result in the surreptitious, gradual expansion of the SDF's duties.

SDPJ Releases Revised Defense Program

OW1111121595 Tokyo KYODO in English
1119 GMT 11 Nov 95

[FBIS Transcribed Text] Saga, Japan, Nov. 11 KYODO — Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) on Saturday [11 November] released a list of demands to make Japan's planned new defense program more pacifist by reducing the U.S. military presence in Okinawa Prefecture and reviewing the Status of Forces Agreement.

SDP Secretary General Wataru Kubo announced the list at a news conference in Saga in Japan's southwestern-most main island of Kyushu.

The SDP's demands in connection with the government's final draft of the country's new defense program also include banning the dispatch of Self-Defense Forces personnel abroad and opposing the introduction of a draft.

The SDP, a partner in the tripartite coalition with the Liberal Democratic Party and new party Sakigake, unveiled its own counterproposal to the new defense program last week.

That proposal, among other things, called for suspension of the government-proposed sea-lane defense scheme.

The proposal also sought cuts in the maximum number of ground self-defense force personnel to some 140,000, compared with the government's proposal of 150,000, from the current 180,000, without introducing a standing reserve system foreseen under the government's plan.

The new program, if approved by the cabinet, would replace a 1976 national defense program mapped out in the Cold War era.

SDPJ's Base Realignment Program Criticized

OW1111144595 Naha OKINAWA TIMES in Japanese
10 Nov 95 Morning Edition p 3

[FBIS Translated Text] On 8 November, the Social Democratic Party of Japan (SDPJ) Policy Board generally approved a basic plan on the realignment and retrenchment of U.S. military bases on Okinawa as the board's draft plan. In this regard, a top Okinawa Prefectural Government official has shown strong displeasure, pointing out: "Instead of thinking about how to put returned land to use, the plan is based preeminently on the idea of returning land used as military bases. It is extremely objectionable in that no arrangements have been made with the local municipalities concerned." The prefectural government, for its part, plans to hold discussions based on an action program on the return of land occupied by military bases at a meeting of a new working group consisting of officials from the central and the prefectural governments. Prime Minister Tomiichi Murayama proposed plans for establishing this working group at a meeting on 4 November with Okinawa Governor Masahide Ota. The prefectural government is showing displeasure at the SDPJ plan which has been worked out without any prior arrangements with the prefectural government and relevant municipal governments, complaining that the results of the Murayama-Ota talks and upcoming discussions of the new working group would "go up in smoke."

At the 4 November talks, Ota presented Murayama with the prefectural government's action program based on plans to put returned land to use, such as the

international city improvement project. The prefectural government is hastily preparing to set up within itself a project team on military base issues as early as by 15 November, in time for the beginning of discussions by the working group proposed by the prime minister.

Just at this moment, the SDPJ announced its program proposing consolidation and relocation of military facilities to both within the prefecture and elsewhere in Japan for the realignment and retrenchment of military bases on Okinawa. The SDPJ asserts that the US Marine Corps and other troops would hopefully be halved in strength by 2010 by consolidating them at Camp Hansen and other installations.

Just like the plan presented by the central government last February to relocate Naha military port facilities to a new site in Urasoe City, the SDPJ plan has been worked out without any arrangements with relevant municipal governments. Concerning this plan, a top prefectural government official has said: "It [SDPJ plan] has nothing to do with the prefectural government plan which envisions Okinawa in the 21st century, taking into account the current situation in East Asia. Arrangements cannot be worked out with relevant municipal governments on a plan that is preeminently based on the idea of returning land."

Murayama Reprimands Eto Over Colonial Rule Remarks

OW1011033895 Tokyo KYODO in English
0304 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — Prime Minister Tomiichi Murayama admonished a cabinet minister Friday [10 November] for his controversial remarks about Japan's colonial rule of the Korean peninsula from 1910 to 1945.

The premier reprimanded Management and Coordination Agency chief Takami Eto after a regular cabinet meeting. Chief Cabinet Secretary Koken Nosaka told a news conference.

Nosaka, the top government spokesman, said Murayama's reprimand is his final decision on Eto, whose remarks that Japan did some good things during its colonial domination of the peninsula have brought calls from South Korea for his dismissal.

Foreign Minister Yohei Kono will make a trip to South Korea on Saturday and Sunday to explain the government's decision on the matter.

Kono is expected to meet South Korean Foreign Minister Kong No-myung. In his explanation to the premier, Eto said he does not believe Japanese colonial rule ben-

efited the Korean peninsula as he told reporters off the record on Oct. 11.

Saying Japan's acts there were all in its own interest, Eto also told Murayama that he feels deeply remorseful for Japan's colonial rule of the peninsula, according to Nosaka.

His reported remarks caused a diplomatic furor after the South Korean daily DONG-A ILBO carried an article on them on Wednesday.

After the article appeared, South Korea urged Japan to take appropriate measures against Eto.

South Korean Foreign Minister Kong virtually called for Eto's dismissal from the cabinet in a meeting Thursday with Japanese Ambassador to South Korea Shintaro Yamashita.

The Japanese Government wants to settle the matter once and for all ahead of Murayama's meeting with South Korean President Kim Yong-sam next week at the Asia-Pacific Economic Cooperation forum in Osaka.

Aside from the Eto incident, bilateral relations suffered when Murayama sparked a storm of protest in South Korea last month with a remark that the 1910 treaty under which Japan annexed Korea was concluded in a legally valid way.

Nosaka did not comment on why Murayama decided not to fire Eto but only to admonish him. "I am not in a position to criticize or comment, because the premier decided on admonition himself."

Asked if the decision is final, the chief cabinet secretary replied, "yes, it is."

Later in the morning, Eto told a press conference he takes Murayama's reprimand seriously.

The cabinet minister said he fully supports a statement Murayama released Aug. 15, the 50th anniversary of Japan's surrender in World War II, in which the prime minister expressed his "heartfelt apology" for Japan's "colonial rule and aggression" in neighboring Asian countries.

Eto said he asks South Korea to understand what he really meant and vowed to make efforts to maintain friendly Japan-South Korean relations.

Eto told reporters that Murayama's reprimand "put an end" to the issue.

Kong No-myong Urges Eto's Dismissal

OW1111090295 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 11 Nov 95 Morning Edition p 1

[By Ichiro Ishikawa]

[FBIS Translated Text] Seoul, 9 Nov — On 9 November, ROK Foreign Minister Kong No-myong summoned Japanese Ambassador Shintaro Yamashita to the ROK's Foreign Ministry to protest recent remarks by Director General Takami Eto of the Management and Coordination Agency. Kong said: "It was regrettable that a person in an official and responsible position had an unfavorable impact on the Japan-ROK relations by remarks going against the policy of the Japanese Government." He then hinted at the ROK's position desiring Eto's dismissal, saying: "As a sovereign nation, Japan is supposed to determine its course of action independently, but we hope Japan will make a brave decision for favorable relations between Japan and the ROK."

Ambassador Yamashita explained Eto's remarks were made informally in an off-the-record conversation, and those had already been retracted. However, Foreign Minister Kong stressed: "Inappropriate remarks of Japanese ministers should not be settled with simple retractions. We consider this is a problem because a retraction does not work here."

Seoul Rejects Proposed Foreign Minister's Visit

OW1011110595 Tokyo KYODO in English
1048 GMT 10 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 10 KYODO — South Korea on Friday [10 November] rejected a proposed visit to Seoul by Japanese Foreign Minister Yohei Kono this weekend to settle the row over a cabinet minister's remarks about Japanese colonial rule of the Korean peninsula, a Japanese embassy spokesman said.

Foreign Minister Kong No-myong told Japanese ambassador to Seoul Shintaro Yamashita at the Foreign Ministry, "Kono's visit is not appropriate under the current situation as it will not be helpful for any productive discussion," the spokesman said.

The Japanese envoy earlier requested a meeting with Kong to deliver the Japanese Government's decision to dispatch Foreign Minister Kono to Seoul on Saturday to resolve the diplomatic furor caused by Japan's Management and Coordination Agency Chief Takami Eto's remarks.

Kong stressed in talks with Yamashita that it is not necessary for South Korea to hear any explanation about insufficient action Japan has taken to resolve the issue, YONHAP News Agency reported.

YONHAP also quoted a foreign ministry official as saying that Japan's lukewarm attitude in settling the dispute will deal a serious blow to bilateral relations between Seoul and Tokyo.

The unidentified official quoted by YONHAP said the row is also likely to adversely affect the planned summit between South Korean President Kim Yong-sam and Japanese Prime Minister Tomiichi Murayama at the upcoming meeting in Osaka of the Asia-Pacific Economic Cooperation (APEC) forum.

The official said, "Inevitably, there will be an impact on the itinerary of the summit meeting at Osaka."

On Oct. 11, Eto told reporters off the record that during the period of Japanese colonial rule of the Korean peninsula, Japan did some good things there, such as building schools, railroads and ports.

After the South Korean daily TONG-A ILBO carried an article on the remarks Wednesday, Seoul urged Tokyo to take appropriate measures against Eto, indirectly calling for his dismissal.

In a move aimed at preventing bilateral relations from becoming further strained over the row, Prime Minister Murayama on Friday gave a verbal reprimand to Eto for his remarks.

Japan also decided Friday to send Kono to Seoul on Saturday to discuss settling the diplomatic dispute and other matters ahead of the APEC talks.

In Tokyo, Chief Cabinet Secretary Koken Nosaka told reporters that the government will let the Foreign Ministry make a decision on how to deal with South Korea's negative view on a visit by Kono.

Nosaka made the remark after emerging from a meeting of the chiefs of the three parties making up the ruling coalition.

The three leaders are Prime Minister Tomiichi Murayama of the Social Democratic Party, Trade Minister Ryutaro Hashimoto of the Liberal Democratic Party and Finance Minister Masayoshi Takemura of New Party Sakigake.

Foreign Minister Cancels Visit to South Korea

OW1011131795 Tokyo KYODO in English
1240 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — Foreign Minister Yohei Kono said Friday [10 November] he has canceled a proposed weekend visit to South Korea to resolve the diplomatic furor caused by a cabinet minister over Japan's colonial rule of Korean peninsula.

Earlier in the day, South Korea rejected the visit to Seoul by Kono on Saturday, saying it would be meaningless unless Japan takes a tougher stance in settling the row over Eto's remarks.

On Oct. 11, Management and Coordination Agency Chief Takami Eto told reporters off the record that during the period of Japanese colonial rule of the Korean peninsula, Japan did some good things there, such as building schools, railroads and ports.

On Friday, the three coalition leaders met to discuss about Eto's remark. They are Prime Minister Tomiichi Murayama of the Social Democratic Party, International Trade and Industry Minister Ryutaro Hashimoto of the Liberal Democratic Party, and Finance Minister Masayoshi Takemura of New Party Sakigake.

Meanwhile, Chief Cabinet Secretary Koken Nosaka said the government will not dismiss Eto, despite requests from Seoul to do so.

"Prime Minister Murayama made his decision on Eto after taking various circumstances into consideration, and will not change it," Nosaka told reporters after the coalition heads met.

Murayama gave a verbal reprimand to Eto on Friday for his remarks.

Nosaka said the reprimand represented Murayama's final decision on the state minister.

More on Kono's Trip Cancellation

OW1011141595 Tokyo KYODO in English
1353 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — Foreign Minister Yohei Kono said Friday [10 November] he has dropped his plan to make a weekend visit to South Korea that was intended to defuse tensions between the two countries following a cabinet minister's remarks about Japanese colonial rule of the Korean peninsula.

Kono announced his decision to cancel his visit to Seoul during a hastily organized press conference at the Foreign Ministry following a meeting with Prime Minister Tomiichi Murayama.

He said he made the decision "after comparing the positions of the two countries."

Earlier in Seoul, South Korean Foreign Minister Kong No-myong told Japanese Ambassador to Seoul Shintaro Yamashita that Kono's visit is "not appropriate under the current situation as it will not be helpful for any productive discussion."

South Korean Ambassador to Japan Kim Tae-chi also said in Tokyo after a meeting with Vice Foreign Minister Sadayuki Hayashi that Kono's trip will be "meaningless" unless Japan takes a tougher measure against Management and Coordination Agency Chief Takami Eto.

Eto told reporters off the record Oct. 11 that during the 1910-1945 colonial rule of the Korean peninsula, Japan did some good things there, such as building schools, railroads and ports.

Prime Minister Murayama issued a verbal warning to Eto earlier in the day.

Later the same day night, Chief Cabinet Secretary Koken Nosaka said the government will not dismiss Eto, despite requests from Seoul to do so.

"Prime Minister Murayama made his decision on Eto after taking various circumstances into consideration, and will not change it," Nosaka told reporters.

Kono was planning to visit Seoul for talks with Kong to pave the way for a summit meeting between Murayama and South Korean President Kim Yong-sam during the Asia-Pacific Economic Cooperation (APEC) forum in Osaka later this month.

Kono said he wanted to "frankly discuss some delicate problems that exist between South Korea and Japan" and to improve relations.

He was apparently referring to the controversies over Eto's remarks and over Murayama's comments last month that the 1910 Japan-Korea Annexation Treaty was signed in a legally valid manner.

The prime minister, after North and South Korea reacted sharply to his remarks, later said the treaty was signed on an equal footing judging from both political and moral points of view.

"The atmosphere surrounding the bilateral relations is an unfortunate one now," Kono said, adding that he was planning to explain Japan's acknowledgement of its historical actions in line with Murayama's statement issued Aug. 15, the 50th anniversary of the end of World War II.

He was also planning to convey Japan's policy concerning its bid to resume negotiations with North Korea to normalize bilateral relations, he said.

A top foreign ministry official said now that Kono's visit has been canceled, top priority is being given to arranging a meeting between Kono and Kong in Osaka during the APEC forum, but that it may be difficult to hold one.

He also suggested that the meeting between Murayama and President Kim Yong-sam may not take place in Osaka, saying Japan will make every effort to seek a breakthrough but that the situation is "difficult."

South Korean Ambassador to Japan Kim and Vice Foreign Minister Hayashi met again Friday [10 November] night, and confirmed that Tokyo and Seoul should maintain close contact in dealing with the tension that has arisen between them, a Foreign Ministry official said. The meeting was arranged after Kono decided to cancel the trip.

Hayashi and Kim agreed that close consultations are necessary to bring bilateral relations back to a sound condition, the official said.

Hayashi and the South Korean envoy confirmed that both Tokyo and Seoul place great importance on bilateral relations, he said.

Kubo Urges Eto To Resign Over Korea Remarks

OW1111120895 Tokyo KYODO in English
0958 GMT 11 Nov 95

[FBIS Transcribed Text] Saga, Japan, Nov. 11 KYODO — The No. 2 man in the ruling Social Democratic Party (SDP) urged State Minister Takami Eto on Saturday [11 November] to step down over his controversial remarks on Japan's colonial rule of the Korean peninsula.

SDP Secretary General Wataru Kubo also called on the Liberal Democratic Party, the main force in the three-party governing coalition, to persuade Eto to resign his post.

Eto, a member of the LDP and director general of the Management and Coordination Agency, said in an off-the-record remark to reporters that "Japan did some good" during its 1910-45 colonial rule of the Korean Peninsula.

Kubo told a news conference in Saga on Japan's southwesternmost main island of Kyushu that Eto's remarks have aggravated bilateral relations with South Korea and he must voluntarily take responsibility for it.

Eto's remarks outraged South Korea, forcing Foreign Minister Yohei Kono to cancel a scheduled visit to Seoul.

Kubo said the actions taken so far by the government have failed to settle the situation and it is difficult for the government to do anything else.

It is natural for a politician to take responsibility for his remark regardless of whether it was on-the-record or off-the-record, he said.

Eto Resigns Over Colonization Remarks on Korea

OW1311092295 Tokyo KYODO in English
0912 GMT 13 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO — State minister and head of the Management and Coordination Agency Takami Eto resigned Monday [13 November] over his remarks that Japan did some "good things" during its 1910-1945 colonial rule of the Korean Peninsula.

Eto announced his resignation after meeting International Trade and Industry Minister Ryutaro Hashimoto, head of the Liberal Democratic Party (LDP) to which Eto belongs, and Prime Minister Tomiichi Murayama.

Earlier in the day, the main opposition Shinshinto (New Frontier Party) submitted to the House of Representatives a no-confidence motion against Eto. A lower house plenary session convening later in the evening was to vote on the issue.

South Korea has demanded his resignation over the remarks he made to reporters off the record Oct. 11, which he later retracted.

South Korea's YONHAP NEWS AGENCY reported Monday that Seoul has informed Japanese officials that it is ready to cancel a scheduled South Korea-Japan summit this week in Osaka over Tokyo's refusal to dismiss Eto.

After Eto's intention of resignation was reported, South Korea retracted its position and said the summit will be held as scheduled, South Korean Foreign Ministry sources said.

The meeting between South Korean President Kim Yong-sam and Prime Minister Murayama is scheduled for Saturday during the Asia-Pacific Economic Cooperation (APEC) forum.

Foreign Minister Yohei Kono has dropped his plan to visit South Korea to try to defuse tensions between the two countries following Eto's remarks.

South Korean Foreign Minister Kong No-myong told Japanese Ambassador to Seoul Shintaro Yamashita that Kono's visit is "not appropriate under the current situation as it will not be helpful for any productive discussion."

Coalition Divided Over Calls for Eto Resignation

OW1211061595 Tokyo KYODO in English
0523 GMT 12 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 12 KYODO — Japan's ruling coalition appeared divided Sunday

[12 November] over South Korean demands that State Minister Takami Eto resign for saying that Japan did some good during its colonial rule of the Korean peninsula.

Koichi Kato, secretary general of the Liberal Democratic Party (LDP), said it was improper for Japan to pursue the resignation of a state minister at another country's behest, while leaders of Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) and New Party Sakigake urged Eto to resign of his own accord.

"It is not proper," Kato said on a Japan Broadcasting Corp. (NHK) news program, "for another country to suggest that (Eto) resign and then for the government or party, in effect, to pursue that resignation."

"The party," he added, "is not considering asking Eto to resign in the near future. We can only consider what to do after a cooling off period."

South Korea's YONHAP NEWS AGENCY reported Saturday that Seoul was thinking of recalling its ambassador to Japan if Murayama failed to fire Eto, the chief of the Management and Coordination Agency.

Murayama's meeting with South Korean President Kim Yong-sam on Saturday during the Asia-Pacific Economic Cooperation forum in Osaka this week also appeared to be in jeopardy because of Eto's remarks, YONHAP reported.

While the LDP, the most powerful member in Japan's ruling coalition, appears inclined to weather this diplomatic storm, its two coalition partners are calling for Eto to resign.

"The path for an actual resolution (of the problem) is for the person concerned to clarify his own responsibility," said SDP Secretary General Wataru Kubo.

Sakigake leader Yukio Hatoyama warned of the consequences of allowing the matter to fester.

"We must well bear in mind that this could become a situation that can be called the worst in Japan-South Korea relations," Hatoyama said.

Yuichi Ichikawa, a senior official with the main opposition Shinshinto (New Frontier Party), and Kazuo Shii, Secretariat chief of the Japanese Communist Party, also called Sunday for Eto to resign.

"In the case where a cabinet minister makes remarks which develop into a diplomatic problem, (the remarks) are withdrawn and (the minister) resigns," Ichikawa told a Fuji Television audience.

Shii said "it was an outburst that fabricates history and (Eto) should properly be dismissed."

NHK Panel on Ties With ROK, Eto Comments

OW1311053695

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0039 GMT on 12 November, during its "Sunday Discussion" program, carries a live, 21-minute discussion on Japan-ROK relations. Taking part in the discussion are Koichi Kato, secretary general of the Liberal Democratic Party [LDP]; Wataru Kubo, secretary general of the Social Democratic Party of Japan; Yukio Hatoyama, chief secretary of New Party Sakigake [Harbinger]; Takeo Nishioka, acting secretary general of the New Frontier Party; and Kazuo Shii, secretary general of the Japan Communist Party. NHK commentator Takashi Yamamoto moderates.

Noting that controversial remarks made by Takami Eto, director general of the Management and Coordination Agency, have outraged South Korea and forced Foreign Minister Yohei Kono to cancel a scheduled visit to Seoul, Yamamoto asks Kato how the LDP intends to deal with the situation. Earlier, Eto said in an off-the-record remark to reporters that Japan did some good during its 1910-1945 colonial rule of the Korean Peninsula. Kato says: "Japan and South Korea should discuss this issue after a cooling off period. I think the two countries should end seeking the resignation of the other side's state minister for such controversial remarks." He notes that the LDP has no intention of asking Eto to resign because he has already withdrawn his remarks. Meanwhile, Kubo notes Eto's careless remarks have complicated Japan-ROK relations, saying: "His remarks have caused a serious diplomatic problem, and what he said is so awful that he cannot be forgiven by merely withdrawing the remarks." He adds: "The person who made the remarks should clarify his own responsibility to help resolve the problem." Hatoyama agrees with Kubo, saying: "Basically, Eto should decide whether or not to resign by himself. As Mr. Kubo said, if he resigns at South Korea's behest, this will constitute an intervention into other country's domestic affairs. So, he should decide by himself." Hatoyama says it is unfortunate that similar remarks were made by other LDP cabinet ministers before. He claims: "We should bear in mind that Japan's past colonial rule cannot be atoned by any good acts." Asked to comment on the fact that similar remarks were made by some other cabinet ministers, Kato says: "It is natural that there are various views on history. Therefore, I think the most important thing now is for Japan, China, and South Korea to conduct a joint study on modern history by each bringing historical documents. I think this will help solve the issue."

Meanwhile, Nishioka claims that the Murayama cabinet should take collective responsibility for the problem. Kubo argues back: "In view of the serious influence of his remarks, the cabinet has already reprimanded Eto," noting the government has already taken a necessary measure to settle the issue. Nishioka contends: "You said the issue will be settled by Eto deciding on his future course, including his resignation, that the cabinet should not be asked to take collective responsibility, and that the government has fulfilled its responsibility by reprimanding Eto. From a diplomatic viewpoint, your assertion is totally incomprehensible." Shii points out the root cause of this problem lies in the attitude of trying to justify Japan's past aggressive war seen among some LDP and NFP groups, urging the LDP and NFP to reflect on this.

In the end, Hatoyama notes the need for Prime Minister Tomiichi Murayama to exercise leadership in settling the problem, which he says may shake all of Japan.

New OECD Head Discusses Trade Liberalization

OW1011132595 Tokyo KYODO in English
1154 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — The new secretary general-designate of the Organization for Economic Cooperation and Development (OECD) asked Japan and South Korea on Friday [10 November] to drop resistance to a proposal to push further farm trade liberalization at an upcoming meeting of the Asia-Pacific Economic Cooperation (APEC) forum.

"Japan and South Korea, as the major industrialized nations of the region supported by others, are going to have to keep the momentum in APEC," Donald Johnston said in an interview with KYODO NEWS SERVICE.

The former Canadian minister for economic development suggested that Japanese and South Korean politicians should conquer their fears of losing votes by angering constituency in the farming electorates, such as rice farmers, likely to be affected by liberalization.

"There is no question that free trade brings about a major challenge of adjustment...I mean there are some job losses in countries like my own Canada," he said.

"The OECD again can help governments bring in adjustment programs which will enable governments, in turn, to convince their electorates that this is the way to go," Johnston said.

He was apparently speaking about the painful-but-fruitful consequences of the economic restructuring process for Canada in accepting the terms of the North American Free Trade Agreement with the United States

and Mexico, and the results of the Uruguay Round Accord under the General Agreement on Tariffs and Trade.

Johnston, who also served as Canada's justice minister in 1984, was selected last November to head the OECD. He is now visiting Japan for talks with Japanese leaders prior to his inauguration slated for June 1 next year.

His remarks came at a time when working-level officials from APEC member states and territories have yet to achieve a breakthrough on the farm trade issue in their efforts to pave the way for the signing of a substantive liberalization "action agenda" accord at a string of meetings of APEC cabinet ministers and leaders slated to be convened from next Thursday.

Some private economists have warned that the current momentum for liberalization among APEC members may be lost unless the APEC leaders can come up with specific trade liberalization measures — something more than vows to promote free trade principles — during their Osaka parley.

Johnston said the resistance from constituents to trade liberalization initiatives in any trade talks are "usually rooted in fears" of job losses, the closing of inefficient industries and exposure to greater international competition from excellent foreign products.

"People are not prepared...to accept the argument that 'don't worry. You are going to lose your job, but the nation as a whole will be much better-off'," he said.

In order to "satisfy" people affected by such anxieties, the OECD is ready to help governments present an array of remedial measures, including, "bringing in new industries...skill retraining...labor mobility by helping people move to other communities where there are jobs...an early retirement program," he said.

Johnston, who will head the club of the world's 25 wealthiest countries, said the OECD is embarking on an unprecedented project to engage in negotiations to secure consent from upward-bound economies for a proposed treaty to encourage and protect foreign investment by OECD members.

The OECD is determined to show to such developing countries that they "will be rewarded with substantial foreign investment" if they sign the treaty and live up to the stipulated obligations to protect investments in direct plant construction, portfolios and other fields.

The OECD is seeking to conclude the accord, called the Multilateral Agreement on Investment (MAI), by 1997, with the participation of South Korea, Singapore, Hong Kong, Thailand, Malaysia, Taiwan, Brazil, Argentina, Chile and other emerging economies.

Unless investors in OECD countries develop "confidence" that their investments will be protected by legal and institutional means in the recipient nations, they will shy away from investing the large amounts that would be "required to make these economies self-sustaining," he said.

If high technology-oriented Japanese makers relocating production to developing countries cannot be freed from anxieties that their proprietary technology and the capital to support it may be lost, they will remain reluctant to invest in such countries, he said.

In order to dispel such anxieties, the MAI is crucial to provide assurances to such investing companies that they have "security from confiscation" by the authorities of the destination countries as well as security from "tax burden which may be imposed arbitrarily," he said.

Lifting of restrictions on the size of equity stakes in a venture in a developing country into which firms from OECD countries are investing is also critical, because a firm will be unlikely to invest "if it cannot control the vehicle into which the technology is being transferred," and because it perceives such technology and capital as being so valuable for its future, he said.

Tokyo Offers Compromise on APEC Farm Issue

OW1011051595 Tokyo KYODO in English
0352 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — Japan has offered a compromise plan to other members of the Asia-Pacific Economic Cooperation (APEC) forum in a bid to break the impasse over agricultural trade, Japanese Government sources said Friday [10 November].

Japan has proposed that the principle of diversity among APEC's nine general principles to be adopted by the upcoming Osaka meeting be softened from wording in the previous drafts, the sources said.

At stake is whether APEC accords or rules should be applied comprehensively to all industrial sectors, including sensitive ones such as agriculture.

Japan and three other APEC members say they basically support the comprehensive principle, but some flexibility is needed in its enforcement.

Reflecting that stance, Japan, as chair of this year's APEC round, proposed in the previous draft action guidelines the addition of a principle allowing the liberalization of trade in various sectors proceed differently, according to the needs of each sector.

In the draft action guidelines, the so-called diversity principle said, "flexibility will be exercised in allowing

different treatment of economic sectors in the liberalization and facilitation process, taking into account the sectoral specificity in each member economy."

The wording "sectoral specificity" has been strongly criticized by APEC members which export farm products, such as the United States and Australia, as virtually excluding agriculture from APEC's principle of comprehensive liberalization.

The sources said the final version of the action guidelines, a blueprint for APEC's goal of free trade and investment by 2020, will drop the term "sectoral specificity" while keeping the idea of "flexibility."

They said the new compromise is expected to pave the way for the resolution of the most difficult issue facing APEC in time for the start of the forum's ministerial meeting next Thursday.

Tokyo To Unveil Deregulation Measures at APEC

OW1111162595 Tokyo MAINICHI SHIMBUN
in Japanese 10 Nov 95 Morning Edition p 1

[FBIS Translated Text] The complete details about deregulatory measures the Japanese Government is expected to announce at the Asia-Pacific Economic Cooperation [APEC] Osaka forum were disclosed on 9 November. The 37 new major deregulation measures include such import-promotion plans as simplification of Japanese Industrial Standards (JIS) approval procedures for building materials. At the informal summit talks scheduled for 19 November, Prime Minister Tomiichi Murayama will announce the Initial Action Program for liberalization, which includes tariff reduction for about 700 items such as mining industrial products. In addition, the prime minister is expected to announce the new deregulatory measures.

Listed in the Initial Action Program are 67 items selected from the deregulation promotion plan worked out by the government last March, as well as 37 additional items. Most of the new items are related to standards, approvals, and import procedures and will contribute to the expansion of imports from various Asian countries. For example, there are items related to starting a weekend customs clearance service at Shimonoseki Port; removing the import ban on raw oysters; and introducing an approval and permit system for importing medical instruments that utilizes floppy disks.

Moreover, there are major transportation items related to car inspection system, such as exempting shock absorbers from the list of items requiring a thorough inspection. In addition, the process of issuing visas to

businessmen from APEC member nations and territories will be eased.

No Restrictions on Chinese Textiles Planned

OW1011023695 Tokyo KYODO in English
0212 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — Japan will not invoke an urgent curb on textile imports from China, International Trade and Industry Minister Ryutaro Hashimoto indicated Friday [10 November].

"Chinese-made textile shipments to Japan have been declining recently, although they had once surged to the detriment of the domestic industry," Hashimoto said at a news conference.

Hashimoto was briefing reporters on the results of research conducted on the domestic textile industry by the Ministry of International Trade and Industry (MITI).

In February this year, the Japan Cotton and Staple Fiber Weavers Association asked MITI to curb imports of poplin and broadcloth from China.

MITI examined the request in line with a set of criteria for imposing safeguard measures mapped out last year.

The textile safeguard is the internationally accepted rule under the Multifiber Agreement (MFA) and a 10-year textile accord of the World Trade Organization.

The MFA, introduced in 1974, is intended to protect Japan and Western industrialized countries, major textile importers, from possible damage to their domestic textile industries due to massive shipments from China and other Asian economies.

Hashimoto said the MITI survey revealed Chinese imports of the two textile items to Japan soared during a certain period in the past three years, and the domestic industry was dealt "a serious blow" by the imports.

But the trend changed recently with the textile products' shipments to Japan "stabilizing," he said.

"There still exists the possibility of these imports turning sharply higher, so MITI will closely monitor coming developments," he said.

EAP Reports Economy Remains on Weak Note

OW1011022795 Tokyo KYODO in English
2359 GMT 9 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — Japan continues to show a weak economic tone though there are bright signs in housing investment and corporate capital outlays, the government's monthly economic report said Friday [10 November].

"Japan's economy remains on a weak note amid a prolonged phase of standstill," the Economic Planning Agency (EPA) said in the report, which represents the government's official assessment of the economy.

The latest assessment of the overall Japanese economy was unchanged from the report issued in October.

"The economy's downward momentum appears to be weak," an EPA official told reporters, based on the November report.

For November, the EPA nudged up its assessment of housing construction and corporate capital spending, while downgrading its export and import assessment.

"The government should take appropriate economic policy measures in a timely manner to ensure the economy's recovery by fostering budding signs of brightness," the agency said.

In the November report, the EPA said a decline in housing construction has come to a lull amid Japan's easy-money policy to help lift the sluggish economy.

For the three months to October, the agency said housing construction has been showing a downtrend.

On a quarter-to-quarter basis, housing starts for July-September edged up 0.5 percent, compared with a 7.4 percent decrease.

In the November report, the EPA said corporate capital outlays have been showing moves toward moderate recovery as a whole.

the recovery trend was pointed out in the October report. At that time, however, the EPA said weakness was seen in some industrial sectors.

The EPA official said capital spending has been growing considerably in construction and other sectors which were cited as weak in the October report.

According to an EPA survey, corporate capital outlays for the July-September period are estimated to have fallen 2 percent from the previous quarter on an all-industry basis. But spending is expected to rise 4 percent October-December and 1.9 percent in January-March of 1996.

The EPA expressed a cautious view on export and import trends in the November report.

The agency said exports tend to show a weak note. Overall imports remain on an uptrend, supported by imports of finished goods, but their growth pace has been slowing, it said.

In volume terms, Japan's exports dropped 4.8 percent in the July-September quarter, while imports decreased 1.1 percent in the three-month period.

"The adverse effects from the yen's rise against the dollar earlier this year appeared in July to September," the EPA official said.

In the October report, the agency said exports almost stayed flat, while imports were showing an uptrend.

In the latest report, the EPA said personal consumption remains on a moderate recovery trend as a whole. But industrial production and shipments are weak with inventories staying at high levels, it said.

Public investment is rising under the government's pump-priming package, but the labor market remains in a severe situation, the EPA said.

Draft of Five-Year Economic Plan Disclosed

OW0911132395 Tokyo SANKEI SHIMBUN
in Japanese 5 Nov 95 Morning Edition p 1

[FBIS Translated Text] On 4 November, the contents of a new draft economic plan (for the 1995-2000 period), which the Economic Council (the prime minister's advisory organ chaired by Gaishi Hiraiwa) is preparing as a guideline for the government's economic policy, were disclosed. Setting an average actual economic growth rate, which is the focus of attention, at "about 3 percent" throughout the period, the council incorporated into the draft a final plan designed to maintain a 3-percent bottom line. Moreover, the council gave up the idea of setting a target for the current account balance surplus rate over nominal GDP, saying: "Although it is not a target, it seems that the rate will be kept at the 1-percent level."

On 29 November, the council will submit the draft to Prime Minister Murayama.

With the understanding that Japan is lagging behind other developed countries in the improvement of social capital, the new plan contains, in addition to a macroeconomic indicator, a numerical target, saying: "From the users' viewpoint, a target for improvement of social capital is shown in a manner that is easy to understand." This is the new plan's distinctive feature. It also enumerates 32 items by dividing a theme into three major areas; 1) formation of comfortable living environments, 2) ensuring safe and peaceful life, and 3) construction of a foundation for the development of a new Japanese economy.

To be concrete, the new plan also attaches importance to such measures as improving residential environments, dealing with the aging society with less children, and the

information society. In addition, the plan cites, among other things, plans to increase the percentage of areas that can be reached within one hour from an interchange of a highly standardized principle road, from 62 percent (as of FY94) to 90 percent by the early 21st century, and to shorten the time needed to travel between a medium-sized city with a population of more than 200,000 and its neighboring hub city, from about six (as of FY95) to some three hours by the early 21st century. In this way, the new plan explains the importance of improving social capital for redistribution of city functions while avoiding centralization in one city.

Due to the economic recession following the bubble economy's collapse, it became necessary to review the "Five-Year (1992-1996) emphasizing "lifestyle superpower," which was formed by the Miyazawa cabinet in 1992. Because of this, Prime Minister Murayama started to form the new economic plan.

Council Seeks To Improve High-Cost Structure

OW1011001395 Tokyo YOMIURI SHIMBUN
in Japanese 5 Nov 95 Morning Edition p 1

[FBIS Translated Text] The final draft of the "Action Program for Rectifying the High-Cost Structure and Revitalizing Industry" was revealed on 4 November. This will be incorporated as the centerpiece of the New Economic Program, which is being prepared by the Economic Council (an advisory organ to the prime minister with Chairman Gaishi Hiraiwa). The program suggests goals and measures to promote deregulation in distribution, energy supply, and other sectors. For example, it urges that, by the end of FY97, the council form its views on introducing self-service gas stations in a bid to lower gasoline prices to the level of the United States and Europe, and that a differential between telephone charges for long-distance calls and short-distance calls should be narrowed to the U.S. level. In addition, it suggests cutting construction costs for housing to two-thirds of the present costs in fiscal 2000. The "Subcommittee for Free and Dynamic Economy" (chaired by Shoichiro Toyoda) will formally approve the "Action Program" at a 16 November meeting. The program will be submitted to Prime Minister Tomiichi Murayama on 29 November as an annex to the New Economic Program.

The council believes that in activating the economy and raising the standard of living, it is essential to correct the costly business structure, while encouraging industrial revitalization. This is why the council has drawn up the action program as a package of concrete steps aimed at promoting deregulation. The program takes up 10 sectors, and discusses the present circumstances in

each area, causes of the high-cost structure, targets for correction, and concrete steps to settle those issues.

The scheme urges that gasoline prices (without tax), which are about three times as high as in the United States and Europe, should be lowered to the international level by encouraging competition and introducing the self-service gas station system. With an aim to improve the distribution system's low productivity, the council proposes reducing distribution costs by taking such measures as rectifying inappropriate business practices and encouraging joint procurement, while promoting deregulation. With regard to the telecommunications sector, the plan suggests narrowing a gap between charges for long-distance calls and those for local calls, as well as creating a demand-provoking charge system, such as a fixed charge system that befits the multimedia era.

As for housing construction costs in Japan, which are nearly 1.8-2 times as high as those in the United States, the council seeks to lower costs for standard housing to two-thirds of the present level by fiscal 2000.

Miyazaki on Effect of APEC Success on Economy

OW1011035695 Tokyo KYODO in English
0321 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — Success of the Osaka meeting next week of the Asia-Pacific Economic Cooperation (APEC) forum would have psychologically favorable effects on the national economy, Japan's top economic planner said Friday [10 November].

Effective programs of deregulation and tax reform are other key factors need to bring the economy back on the recovery track from the prolonged phase of standstill, said Isamu Miyazaki, director general of the Economic Planning Agency (EPA).

He made the comments at a regular press conference after Friday's cabinet meeting.

Asked about expectations that Japan will be in a difficult position at the APEC meeting because of the disputed issue of freeing agricultural trade, Miyazaki said "negotiations are always tough, and it does not directly mean the negotiations are not going well."

Touching on the resurgence of the yen against the U.S. dollar in Tokyo foreign-exchange trading Friday, Miyazaki said that in the long term, the U.S. fiscal deficit problem affects the exchange rate more than Japanese economic factors.

Miyazaki added, however, that the dollar-yen rate has been stable since around July and the Japanese economy will gradually feel favorable effects from that.

Murayama, Takemura Vow To Review Financial Policy

OW1011090095 Tokyo KYODO in English
0828 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — Prime Minister Tomiichi Murayama and Finance Minister Masayoshi Takemura pledged in the Diet on Friday [10 November] to review the government's financial policy following a scandal involving Daiwa Bank.

Speaking in a House of Representatives plenary session, Murayama said the government will review existing administrative procedures to conform to international standards.

The Osaka-based major commercial bank was ordered to withdraw from the United States by early February for trying to cover up a \$1.1 billion loss in unauthorized bond trading at its New York branch.

Takemura said the Finance Ministry's approach on the issue had nothing to do with the U.S. order for Daiwa to withdraw.

The ministry was accused of delaying its notification of the affair to U.S. regulatory authorities.

Takemura, however, admitted that both the Finance Ministry and Daiwa Bank lacked awareness of the fact that the affair is subject to U.S. rules as it happened in the United States.

He ruled out the possibility that the Daiwa affair will develop into reorganization of the domestic financial industry, saying it is a case involving an individual bank.

Takemura Says Nation Facing Fiscal Crisis

OW1311060995 Tokyo KYODO in English
0553 GMT 13 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO — Finance Minister Masayoshi Takemura told coalition government leaders Monday [13 November] that Japan is facing a fiscal crisis.

"It is in a grave situation, and the scale of the fiscal deficit is considerable," Finance Ministry officials quoted Takemura as saying.

The finance minister made the comments at a liaison meeting with leaders of the government and three coalition parties.

He said the ministry will shortly make public an outline of the financial balance, including tax revenues.

Daiwa Pleads Not Guilty on All Charges in U.S.

OW0911233995 Tokyo KYODO in English
2246 GMT 9 Nov 95

[FBIS Transcribed Text] New York, Nov. 9 KYODO — Japan's Daiwa Bank pleaded not guilty Thursday [9 November] to all criminal charges in the first court hearing of a case in which it is accused of conspiring to conceal huge losses at its New York branch.

At the hearing held at the New York Federal District Court on Thursday morning, the Osaka-based bank's attorneys entered pleas of not guilty to all 24 charges brought against it by federal prosecutors.

The indictment alleges that Daiwa Bank conspired with Toshihide Iguchi, a 44-year-old bond trader at its New York branch, to hide from U.S. regulators the \$1.1 billion loss he had incurred over a period of 11 years mostly through unauthorized U.S. bond trading.

To conceal the losses, Daiwa Bank allegedly instructed Iguchi in late July to continue with unauthorized bond trading in order to secure funds for paying subscribers' yields on U.S. Treasury bonds, even after he had notified the bank of the losses, according to the charges.

The indictment also accuses Daiwa Bank of filing a quarterly financial report with the federal reserve board without disclosing the losses.

If all the charges are proved, Daiwa Bank could be fined up to \$1.3 billion.

Last month, Iguchi pleaded guilty to forging bank records and embezzlement in a scheme to hide the losses. But Daiwa Bank denied his claim of a conspiracy.

U.S. regulators last week ordered the bank to terminate all its operations in the United States within 90 days.

Japan's Finance Ministry was notified of the losses by Daiwa Bank in August but took no action to confirm them.

The ministry and the Bank of Japan are now considering stepping up supervision of Japanese banks and their overseas operations to prevent a recurrence of financial irregularities.

The financial fiasco has forced Daiwa Bank, the 10th-largest commercial bank in Japan, to conduct a top-level shake-up, raising the possibility of a merger with Sumitomo Bank to create the world's biggest bank in terms of financial resources.

Article Views MOF's New Financial Policies

OW1211135995 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 6 Nov 95 Morning Edition p 7

["Opinion and Commentary" column article by editorial staff Yoshihiro Fujii: "New Financial Systems — Use of Private Sector Forces And Disclosure of Information Urged"]

[FBIS Translated Text] In the face of continued financial system unrest caused by the Daiwa Bank scandal and other problems, the Ministry of Finance [MOF] has promoted preparations for establishing new financial frameworks, such as a mechanism to resolve financial problems early and a system for liquidating failed financial institutions. By establishing such mechanisms, the ministry aims to shift its emphasis on government regulations and discretion to market rules requiring corporate executives to take responsibility when their companies fail. Whether the new systems will be operated effectively depends on whether the MOF will be able to use private sector forces and promote information disclosure.

The MOF Considers Establishing an "Early Solution System" Because the Conventional System of Dealing With Financial Issues After Problems Arise Has Limits

A woman who works for a foreign-affiliated financial organ once told me: "It seems MOF officials know nothing. When I asked a very basic question, a ministry official said: 'I do not get it.' They really must know nothing."

Financial business aims at minimizing the risk of and maximizing the returns on domestic and foreign transactions, which have grown increasingly diversified and complicated by futures derivatives transactions, various kinds of risk management, and conversion into securities. If the MOF does not know the actual state of a business, it will not be able to give appropriate advice to financial institutions or make good administrative decisions.

However, senior MOF officials have difficulty understanding which problems to tackle because they only stay in the same post for a couple of years. Thus, most know nothing about financial mechanisms. They tend to hide this fact from bank clerks in charge of the MOF (who visit the ministry to obtain necessary information) because they fear the clerks will look down on them if they know this. It is said that, while striking a "know-it-all attitude" toward banks, MOF officials secretly seek "instructions" from friendly female officials at foreign-affiliated financial institutions whose interests are not tied to those of the MOF.

Whether the dark clouds hanging over the issue of disposing of financial institutions' bad loans will blow away depends on what emerges from a closed-door discussion on the problems of housing loan companies, which will last until year's end, and on the outcome of a discussion on what systems the government will adopt to maintain financial order. The solution to the problem with housing loan companies will drive away a general feeling of unrest over the financial system. Also, it will be effective in settling issues concerning the Japan premium [extra interest Japanese banks pay to borrow funds in foreign markets] in international financial markets.

The MOF has decided to establish an early solution system because the conventional system, under which the ministry takes necessary steps after a financial institution faces a crisis, not only requires a high cost to deal with problems but also produces unrest throughout the entire financial system. The new system requires the government to diagnose the conditions in financial organs by examining their regular reports and conducting special surveys. It requires the government to prescribe business improvements before financial institutions fail. The smooth disposal of bad loans after the "death" of a financial institution will be possible under the new system.

The MOF Is a Fit Referee Unless It Abandons the Idea That It Dominates the Financial World

The MOF's tasks include converting the present after-settlement system to an early settlement system and departing from discretionary administration, which has been criticized as unclear. A senior MOF official said: "We will set clear rules and play the role of a referee who strictly enforces them." A 19 June article in this column also noted the need to separate the government's policy-making function from its controlling (supervisory) function. It seems the MOF has finally decided to take actions to meet the demands of the times. Although the ministry's decision should be rated highly, there are some questions about it.

One question is whether the "ministry is capable of being a referee." This question is natural given the assertion that senior MOF officials lack knowledge of the financial system. Yoshiro Miwa, a Tokyo University professor, said: "Japanese politics nurtures only generalists. It cannot keep abreast of moves in financial markets because it lacks the considerable expert knowledge needed to understand the financial system. Most MOF officials are law school graduates, and their speciality is the rights and duties of the individual. It will be impossible for them to understand the financial world, which is out of their line, no matter how hard they study."

MOF officials are called the best bureaucrats. However, current financial business is said to be so complicated that even top officials at financial institutions do not understand derivatives transactions (I do not mean to defend them from the charge that they cannot understand things because they lack initiative). Thus, it is doubtful whether MOF officials can effectively operate a monitoring system to resolve financial problems early. Some argue: "Senior officials should devote themselves to policymaking, and lower-level officials should be responsible for checking business activities."

Others also point out: "The purpose of the MOF's repeated and continued bank examination is to see if there has been any violation of the law. There is a qualitative difference between this and inspections by the Bank of Japan [BOJ], in which senior BOJ officials themselves check business practices," (stated a BOJ executive). In fact, the MOF has failed to take steps to resolve the Daiwa Bank problem in a timely manner. If the MOF is given the right to apply for court approval to start liquidation procedures against failed financial institutions, it will need a greater ability to judge the appropriateness of business practices than ever before.

Although the MOF hopes to become a referee, it is questionable whether it can abandon the thinking that it dominates the financial world. The ministry is optimistic about improving the monitoring system. However, it has not indicated any intention of reviewing the present vertical administrative system, under which the Ministry of Agriculture, Forestry, and Fisheries supervises agricultural cooperatives-affiliated financial institutions and the Ministry of Posts and Telecommunications oversees post offices' postal savings service. Financial organs affiliated with agricultural cooperatives are said to hold the key to resolving the problem of housing loan companies' bad loans. It is said that people have moved their deposits from private financial institutions to postal saving accounts due to the prolonged financial unrest. Under the present system, agricultural cooperatives-affiliated financial organs and post offices follow the calls of different referees, although they are both financial market players.

The MOF cannot make an adequate call as a referee if it continues to think it dominates the financial world. It would be unpardonable if the ministry translated calls for "reform" into an expansion of its authority by increasing in the number of MOF officials and organizations. Akio Kuroda, a professor at Meiji University, said: "A financial system agency (tentative name) should be established to comprehensively supervise financial markets, and it should be separate from the MOF, which mainly deal with corporate matters."

Those who will be in charge of monitoring financial markets in the new agency need not be government officials. What matters is that they have full knowledge of business affairs. The agency should employ bank officials and accountants who are subject to personnel cutbacks during financial organs' downsizing efforts. It is necessary to use private sector forces to maintain an effective monitoring system.

Review of MOF Roles Expected To Change Relations Between the MOF and the BOJ

The MOF needs to thoroughly promote information disclosure to make an early solution system effective. Under the system, the MOF will issue an order or advice for improving a business when a financial institution's "ratio of net worth," obtained by deducting irrecoverable debt from equity, drops below a certain level.

However, the MOF does not always know the amount of irrecoverable loans. Reportedly, it surveys the amount only once every other year. The ministry plans to require financial institutions to disclose the amount of their bad loans semiannually. It is important to have them disclose exact figures. Professor Kuroda said: "Financial institutions have been criticized for their unclear business practices. To improve this situation, they should disclose useful information for investors and other market players."

The Japan premium is rising due to the insufficient disclosure of information on nonperforming loans, and this has affected all domestic banks. We should not forget that the disclosure of useful information for investors prevents the unnecessary risk growth.

A review of MOF roles will change the relationship between the ministry and the BOJ. Last week, the ruling coalition disclosed a draft bill to revise the BOJ Law. However, it is still unclear how the MOF bank examination and the BOJ inspection should be combined and how the BOJ's system of providing liquidity funds should be incorporated into the MOF's early solution system. Market players (financial institutions) will be bewildered if several whistles are blown.

A referee should know the game well, and players should be allowed to move freely based on rules that spectators can understand. This is imperative to recovering trust in Japan's financial system.

Posts Minister Vows Further Telecom Deregulation

*OW1011051695 Tokyo KYODO in English
0326 GMT 10 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — Posts and Telecommunications Minister Issei Inoue said Friday [10 November] the Posts Ministry will further

deregulate Japan's telecommunications market in line with requests from business circles.

The Japanese telecom market is already one of the freest among industrialized nations, as the organization for economic cooperation and development acknowledges, Inoue said in a news conference after a regular cabinet meeting.

But that does not mean there is nothing more to do and the ministry will keep up its commitment to deregulation, Inoue added. He declined to comment on which concrete steps were under consideration.

Business circles are calling for telecom deregulation with respect to the corporate structure of Nippon Telegraph and Telephone Corp., the nation's largest telecom carrier. NTT is under pressure to split up into regional carriers.

In an apparent move to stave off a possible breakup, the company has decided to open up its local phone circuits to DDI Corp. and other rival long-distance telecom carriers.

NTT also plans to scale back its workforce from 197,000 to 150,000 and reduce long-distance phone rates to a maximum 100 yen per 3 minutes from the current 380 yen.

The competing long-distance carriers, however, argue that NTT has to be split up to ensure free competition in the market.

Business Leaders Urge More Deregulation

*OW1311054895 Tokyo KYODO in English
0444 GMT 13 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO — A group of business leaders called on the government Monday [13 November] to consider more deregulation, particularly in the land, farm, financial and securities areas, officials said.

The group of five heads of influential business organizations, including Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), made the call at a meeting with key members of the Administrative Reform Committee, an advisory body to the government on deregulation.

Japan announced a wide-ranging deregulation program in March, and the committee has been reviewing it and receiving proposals from various concerns. It is expected to announce a revised program by the end of this year.

During the meeting, Toyoda said the deregulation program is the key for Japanese economic recovery and

urged the committee to make sure the revised program will be efficient.

Tetsuro Kawakami, chairman of the Kansai Economic Federation, said that while helping the reconstruction of Kobe and surrounding areas which were hit hard by a strong earthquake in January, he learned that Japan has "too many unnecessary regulations."

Kosaku Inaba, head of the Japan Chamber of Commerce and Industry, urged the committee to include more deregulation relating to businesses of small- and medium-size companies.

Yotaro Iida, head of the committee, promised the business leaders that the panel will include their proposals in its program as much as possible, the officials said.

Defendants in Bid-Rigging Case Plead Guilty

OW1011054395 Tokyo KYODO in English
0504 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — A former executive of a public sewage company and officials of nine electrical companies pleaded guilty to charges of bid rigging for sewage projects in 1993 at the first session of their trial held at the Tokyo High Court on Friday [10 November].

But some officials, including two of Hitachi Ltd., denied that the practice violated the Antimonopoly Law on grounds the Japan Sewage Works Agency took the lead in the price-fixing arrangements and that it was up to the agency to decide on a winning bidder.

Urging the court to take into consideration what they said were those extenuating circumstances, they claimed that Tomiichi Nishikawa, a former deputy head of the agency's Engineering Department, led them into the alleged bid-rigging practice.

Besides Nishikawa and the Hitachi officials, 15 employees of eight other companies also pleaded guilty to the bid-rigging charges.

The 18, along with the nine companies themselves, were indicted in June, but no arrest warrants were served.

All the electrical company employees are charged with violating the Antimonopoly Law, while Nishikawa is charged with helping the nine companies prearrange the winners of agency projects for installation of new electrical equipment.

This is the first time that a semigovernmental body which offers public tenders has been indicted for bid rigging.

The Fair Trade Commission (FTC), which began a probe into the case in March 1994, demanded in March

this year that prosecutors open a criminal investigation of the nine companies for alleged violation of the Antimonopoly Law.

The last indictment on charges of violating the law was in March 1993, when major printing companies were accused of rigging bids in connection with postcards notifying pension payments.

A high court is the first court to try a case of Antimonopoly Law violations.

With all the defendants pleading guilty to the bid-rigging charges, a ruling is expected to be handed down as early as April or May next year.

Indicted along with Nishikawa by the Tokyo High Public Prosecutors Office are officials of the electrical companies who dealt with the agency at the time of the alleged bid rigging.

The companies involved are Hitachi and four other industry leaders — Toshiba Corp., Mitsubishi Electric Corp., Fuji Electric Co. and Meidensha Corp. — as well as four smaller companies — Yaskawa Electric Corp., Nissin Electric Co., Shinko Electric Co. and Takaoka Electric Mfg. Co.

The nine companies are charged with fixing which companies would be successful bidders for 49 electrical equipment installation projects, worth some 11.1 billion yen, ordered in fiscal 1993 by local governments through the agency, the public corporation in charge of sewage system construction that is supervised by the Construction Ministry.

The group allegedly decided that the five major companies would take 75 percent of the money received in the transactions, while the smaller ones would share 25 percent, prosecutors said.

Nishikawa, who in 1993 was transferred from the city of Yokohama to the agency, allegedly informed the manufacturers of the city's annual plan for sewage system construction and planned spending.

Itaru Nakamoto resigned from the post of agency head June 7 when the FTC, the nation's fair trade watchdog, filed criminal accusations against the 18 people.

At a press conference in March, Nakamoto denied the agency's involvement in the bid rigging.

Committee Passes Revision of Religious Group Law

OW1011045595 Tokyo KYODO in English
0405 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — The government's bill to revise the law on religious organizations was approved at a House of Representatives

ad hoc committee on Friday [10 November] with the support by the ruling coalition and the Japanese Communist Party.

The government brought in the bill to tighten control on religious groups in response to a series of crimes attributed to the Aum Shinrikyo religious cult, including the sarin gas attacks in Tokyo and Matsumoto, Nagano Prefecture, central Japan.

The lower house is likely to pass the bill Monday since the main opposition party Shinshinto (New Frontier Party) has decided against boycotting the vote, making it certain that the bill will be enacted during the to-be-extended current session, Diet sources said.

Among the measures of the bill to revise the 1951 Religious Corporation Law is a requirement for religious organizations to report details of their financial affairs to government authorities.

Under the bill, the education minister rather than prefectural governors will have jurisdiction over religious groups that operate in more than one prefecture.

The passage of the bill will be a significant victory for the three ruling coalition parties — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake — which have placed top priority on the issue after the series of alleged Aum crimes.

Shinshinto, which enjoys strong backing by Soka Gakkai, a lay Buddhist organization with a powerful election machine, is opposed to the bill, but has decided to vote against it rather than boycott the voting, a move which could throw the Diet into turmoil.

Gap in LDP, SDPJ Defense Policies Noted

OW1111164695 Tokyo ASAHI SHIMBUN
in Japanese 10 Nov 95 Morning Edition p 2

[FBIS Translated Text] The Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ] have each drafted their own versions of the government's new "National Defense Program Outline," which will serve as a guideline for Japan's post-Cold War defense policy. There is a considerable gap between the two versions with regard to the nation's stance on disarmament, the issue of the right to a collective self-defense, and participation in UN peacekeeping operations (PKO). As members of the ruling coalition, the two parties are having difficulty trying to narrow the gap. Although the government intends to finalize the new outline this month, it may have to delay its decision depending on how the situation develops.

With the compilation of the new outline entering its final stages, the LDP and the SDPJ plan to clarify

their positions on the matter. In doing so, they hope to spell out their individual characters as political parties, something that has eluded them because they have tended to get buried within the coalition alliance. Consequently, it can be noted that the two parties are stressing their differences all the more.

There is a particularly wide gap between the two parties's views on "disarmament." While the SDPJ asserts in its draft of the outline that "Japan should actively promote the disarmament of its own forces," the LDP shows a cautious stance in its version, asserting that "Japan should not simply assume that it should disarm its forces following the end of the Cold War."

Regarding the Japanese-U.S. security arrangement, there is only a slight difference between the LDP, which advocates the "firm maintenance" of the security arrangement, and the SDPJ, which simply advocates "maintenance" of the arrangement. However, the two parties are in direct conflict over bilateral cooperation in specific areas, such as the Acquisition and Cross-Servicing Agreement (ACSA), an arrangement under which the Self Defense Forces and U.S. forces provide each other with fuel and other supplies, and the Theater Missile Defense (TMD) program, a defense system for intercepting ballistic missiles. Moreover, the dispute between the two parties over such issues as the exercise of the right to a collective self-defense, which also involves interpreting the Constitution, seems to be a replay of their conflict during the Cold War era.

The New Frontier Party has criticized the government, saying: "How can you come up with an outline when there are such divided views? It is objectionable to compromise merely to maintain the coalition" (statement by Kazuo Aichi, former director general of the Defense Agency [DA], at a 9 November meeting of the Lower House Special Committee on Security). In response, the government stressed that it does not intend to get too deeply involved in coordinating views among ruling coalition member parties, saying: "Because we are a coalition government, each coalition member has a different view. We want to avoid commenting on other parties' views" (statement by DA Director General Seishiro Eto).

It is widely believed even among ruling coalition party members that efforts to coordinate differing views "may not work out" (according to a senior SDPJ official). The DA hopes to finalize the new outline at a meeting of the Security Council (chaired by Prime Minister Tomiichi Murayama) in late November. However, it is uncertain whether matters will proceed as the DA wishes.

SDPJ Announces Proposal for NDPO Revision

*OW1211082295 Tokyo MAINICHI SHIMBUN
in Japanese 12 Nov 95 Morning Edition p 2*

[FBIS Translated Text] The Social Democratic Party of Japan [SDPJ] announced on 11 November its proposal for revision, elimination or addition connected with 21 items in the draft of the "National Defense Program Outlines [NDPO]," recently released by the Defense Agency [DA]. The SDPJ has based this proposal on the party's NDPO basic stand worked out on 7 November.

The main feature of this proposal lies in the party's demand for sticking to the following principles in addition to those listed in the DA draft — the principles of civilian control and exclusively defense-oriented as well as the three nonnuclear principles: 1) No introduction of a conscription system; 2) banning of overseas dispatch of Self-Defense Forces [SDF] personnel; 3) no resort to collective self-defense; 4) no possession of offensive arms; 5) no possession of nuclear, chemical or biological weapons and other mass destruction arms; 6) ban of arms imports, and 7) no use of the right of belligerency.

However, the fact is that since a wide gap still remains between the SDPJ proposal on the one hand and the draft worked out by the DA and the Liberal Democratic Party on the other, it can be expected that future coordination among the ruling parties will be difficult.

As for the extent to which the Japan-U.S. security arrangements can be applied, the SDPJ proposal demands in several items that it should be limited to the "Far East Area." However, the DA draft indicates that instead of restricting it to the "Far East Area" as stated in the original outlines, it should cover "the areas surrounding Japan." Moreover, the SDPJ proposal stresses the plan of trying to break away from depending over much on the Japan-U.S. security arrangements.

On the nuclear issue, while the DA draft calls for "reducing the threat of nuclear arms," the SDPJ proposal clearly states that "disarmament should be promoted and nuclear arms be abolished."

Moreover, the DA draft calls for eliminating the part concerning the basic idea about the SDF's major approach of "dealing with a limited and small-scaled invasion" as stated in the existing outlines adopted in 1976. However, the SDPJ proposal calls for retaining this part in concrete terms, and it demands adding an expression that "a limited and small-scale invasion, in principle, should be done away with [haijo] on its own."

Coalition Wins Diet Vote To Extend Session

*OW1311131395 Tokyo KYODO in English
1058 GMT 13 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO — The House of Representatives voted Monday [13 November] to extend the current extraordinary Diet session by 32 days until Dec. 15 and passed a bill to tighten control on religious organizations.

The tripartite ruling coalition — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger] — voted for the extension of the current Diet session, which was originally to end Monday.

The main opposition Shinshinto (New Frontier Party) and the Japanese Communist Party (JCP) voted against the extension at a plenary session of the lower house.

The ruling coalition and the JCP voted in favor of the bill to revise the 1951 Religious Corporation Law but Shinshinto voted against it. The bill was referred to the House of Councillors.

The ruling coalition aims to enact the bill during the current Diet session.

The government submitted the bill in response to a series of crimes allegedly committed by the Aum Shinrikyo religious cult, including the March sarin gas attack on the Tokyo subway system.

Shinshinto, which enjoys strong backing by Soka Gakkai, a lay Buddhist organization with a powerful election machine, is opposed to the bill and insisted it be carried over to the next Diet session.

NFP Decides on Rules for Choosing Party Head

*OW1311083095 Tokyo KYODO in English
0744 GMT 13 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO — The main opposition Shinshinto (New Frontier Party [NFP]) decided Monday [13 November] on new party rules for selecting its next leader, including an election to be open to nonmembers.

All Shinshinto's parliamentary members from both chambers of the Diet met around noon to decide on the changes, party officials said.

An intraparty panel will begin preparations so that Shinshinto can hold the party leadership election by the end of the year, but some party members said the election should take place in January because the Diet is discussing an extension of the current session, which was due to end Monday, until Dec. 15.

The party has been headed by former Prime Minister Toshiki Kaifu since it was launched Dec. 10 last year.

Under the new regulations, Shinshinto's party head, vice party head and secretary general will have two-year terms.

The regulations say the party will hold a convention, at which a new party head will take office, within 14 months of its inaugural convention Dec. 10 last year. The convention is likely to be held around Jan. 20, they said.

Forum for Launching New Party Formed

*OW1011133395 Tokyo KYODO in English
1311 GMT 10 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — A preparatory forum for launching a new "liberal" party, consisting mainly of Social Democratic Party [SDP] members, held its inaugural meeting Friday [10 November] in Tokyo.

Leaders of the new forum said after the meeting that they want to form the new party by mid-December.

Teruo Maruyama, a critic specializing in religious issues and one of five co-leaders of the forum, gave the timing at a press conference following the meeting at a Tokyo hotel.

"Since the politics are complicated, we will take the situation into account while keeping an eye on future trends among our colleagues and liberal forces," Maruyama said.

"But we certainly want to hold a convention to set up the party by mid-December."

The inaugural meeting decided to court New Party Sakigake and other center-to-left political blocs as possible partners in the new party project.

Sakigake is the smallest component of the ruling coalition with the SDP and the Liberal Democratic Party.

Earlier the same day, Yukio Hatoyama, secretary general of Sakigake, told Maruyama his party cannot join in a new party, according to Maruyama.

Hatoyama was quoted as saying, "Conditions are not yet right for our party to participate."

Political pundits said attention could now focus on whether SDP executives will proceed with a political decision on the formation of the new party within the current year in the wake of Sakigake's apparent rejection to join in a new party.

Prior to their Friday meeting, the forum members also sounded out other center-to-left political groupings,

including members of the liberal forum led by former Hokkaido Gov. Takahiro Yokomichi, and the New Democratic Club led by Banri Kaieda.

All indicated that they are not ready to participate at the present stage.

Maruyama said the forum hopes to draw up a draft policy platform and rules by the end of November.

Prime Minister Tomiichi Murayama, who also heads the SDP, is backing the plan under which the party would dissolve itself and merge with the other parties to form the new party.

Official: Sakigake Not To Join New Party Move

*OW1211103895 Tokyo KYODO in English
0954 GMT 12 Nov 95*

[FBIS Transcribed Text] Okayama, Japan, Nov. 12 KYODO — New Party Sakigake [Harbinger], part of the tripartite ruling coalition, will not join a Social Democratic Party-led move to form a new liberal party, a senior Sakigake official said Sunday [12 November].

"We want to cultivate our ideology and work together (with the SDP) on the basis of that ideology. There is no way we are going to live in Miyakezaka (where the SDP has its headquarters)," Yukio Hatoyama, Sakigake secretary general, said at a local symposium.

The SDP, led by Prime Minister Tomiichi Murayama, has been preparing to change itself into a new liberal party involving other center-to-left blocs with a better chance of winning future elections.

SDP officials have repeatedly asked Sakigake leader and Finance Minister Masayoshi Takemura to join it in setting up such a new party.

Takemura has said his party could work together with the SDP if Sakigake's policies are taken into account.

Takemura Considered for New SDPJ Leadership

*OW1311054795 Tokyo EKONOMISUTO in Japanese
7 Nov 95 P 18*

[Article by Takeshi Nishiyama, deputy chief of the Political Department at MAINICHI SHIMBUN: "Who Will Be the New Party Head, Hatoyama or Takemura?"]

[FBIS Translated Text] Masayoshi Takemura, leader of New Party Sakigake [Harbinger] and minister of finance, has surfaced suddenly as the prospective head of a new political party the Social Democratic Party of Japan [SDPJ] is attempting to form. The idea of naming Takemura as the party chief was conceived as the "final trump card" because the formation of the new party had

reached a stalemate, but the prospect is not as bright as it seems to be.

The idea "to have Takemura as party head" was agreed upon by the trio of Prime Minister Tomiichi Murayama, Speaker Takako Doi of the House of Representatives, and Takemura in a secret meeting held on 13 October. A noteworthy development in this scheme was the fact that Speaker Doi played an active role. It was interpreted that the speaker herself, who had once created a Doi sensation and who still has a considerable influence over the SDPJ, was determined in good earnest to tackle the formation of a new party.

At a symposium where she was present with Takemura, Speaker Doi sent an encouraging message to Takemura by saying that she has "no sense of incongruity with him" on such matters as the Constitutional issue and so on, and that "it is the time to act by cooperating with as wide a scope of people as possible who have the same ideals." Meanwhile, Prime Minister Murayama, in New York where he attended the United Nations 50th anniversary celebrations, also made his position clear to accept the idea "to have Takemura as party head" by saying "he is fully qualified to become a party chief."

Thus, at that particular time it seemed almost decisive that the SDPJ and New Party Sakigake were to merge and Takemura become the party head. The subsequent movements of the two parties, however, were entirely opposite, giving an impression that confusion has become serious than ever.

One of the factors is where SDPJ Secretary General Wataru Kubo stands. Despite the SDPJ's consecutive defeats in the unified local elections this spring and the House of Councilors election, he stayed on the position of secretary general because he has to accomplish the task of forming a new party. However, it is not certain how far Kubo is committed to the discussion of "having Takemura as the party chief." On the contrary, it is said that he has been off the mainstream.

To begin with, Kubo has had Yukio Hatoyama, New Party Sakigake's secretary general, in mind as the new party head, not Takemura. Kubo succeeded in getting a pledge from Prime Minister Murayama that he "will not become head of the new party," and to him Takemura probably looks like "one of the old leaders."

The inner situation of New Party Sakigake is complicated and inscrutable as well. At its general council meeting on 25 October, New Party Sakigake decided on a policy that "at present it will not merge with the SDPJ." At the same time it was also decided to set up a "committee of basic strategy," to study and work out policies in face of future political realignment. Ha-

toyama said affirmatively, "I do not think it is possible that a new party will be formed before the year is out," and this remark indicates a difficulty of intraparty adjustment.

The idea of "making Takemura the party chief" seems to be "a small one gulping down a big one" but it is also true that the hidden intention of making the best use of New Party Sakigake is not quite hidden. On top of it, New Party Sakigake is composed of a multitude of those who defected from the Liberal Democratic Party [LDP] and has a different color and texture from the SDPJ supporters that include labor union members. That difference made New Party Sakigake's deputy leader Shusei Tanaka speak frankly of his feeling that "our party will disintegrate if we respond to the idea now."

The SDPJ is scheduled to celebrate its 50th year on 2 November and in that anniversary celebration Secretary General Kubo wishes to reveal the outline how the new party will look like. Nobody knows whether the idea of "making Takemura the party chief" may turn out to be a "short-lived one" as Takemura himself used to comment. At any rate, there is not enough time left for the SDPJ.

Expert Discusses Tokyo's Intelligence Activities

OW11 * 152495 Tokyo SAPIO in Japanese
22 Nov 5 pp 23-25

["Simulation Report" by Kazuhisa Ogawa, international politics and military affairs analyst: "Talkative Bureaucrats" and a 'Group of Boy Detectives': Japan's Intelligence and Security Capabilities Are Too Rough; the Reality Concerning 'Brainless' [zuno-naki] Japan" — first paragraph is editor's introduction]

[FBIS Translated Text] Mr. Kazuhisa Oga was once engaged in pulling together internal information on the Defense Agency [DA] and writing continuously for magazines. During this period, Mr. Ogawa was once shadowed by the Central Investigation Corps (CIC) of the Ground Self-Defense Force [GSDF]. When Mr. Ogawa had dinner in Roppongi with a magazine editor and a uniformed DA officers... [ellipsis as published] Mr. Ogawa, a specialist on Japan's crisis management, will disclose the actual state of Japanese intelligence organizations while reporting on his own experiences:

No Need for High Technology to "Make" Japanese Bureaucrats "Talk"

As far as intelligence work is concerned, Japan is in a peculiar [tokui] position among the world's industrialized nations. Unless Japan itself cares to review its backwardness again, it probably could not participate in diplomatic or economic negotiations on a world level.

First, it can be said that no sophisticated equipment is needed for obtaining intelligence on Japan. It goes without saying that this is because Japan has fallen far behind in its understanding of intelligence.

In the recent wiretapping incident, the Central Intelligence Agency (CIA) used electronic equipment. In Japan, however, this is something that does not involve setting up wiretapping devices or directional [kou-shikousei] microphones. In Japan, the fact is that those bureaucrats or politicians you have singled out will talk as much as possible only by encouragement. In trying to understand Japanese society and intelligence, it is first necessary to understand this point well. In other words, Japanese elite officials fall far behind world standards in terms of their intelligence behavior.

In the recent case, those involved in the negotiations between Japan and the United States were politicians, bureaucrats, and businessmen. Of these, the businessmen are probably the most tight-lipped. There is a great difference between individual politicians and bureaucrats. However, taken as a whole, bureaucrats are probably more apt to leak intelligence than politicians. Let me rank those so-called first-class agencies and ministries in order of their officials' talkativeness. Outstanding among them are the bureaucrats of the Ministry of International Trade and Industry [MITI], followed by those of the Ministry of Finance [MOF]. This order is similar to that of "Kankan Settai" [lower-ranking officials illegally entertaining higher-ranking officials]. Nevertheless, perhaps Ministry of Foreign Affairs [MOFA] officials, as well as self-defense and police officers, are generally slow of speech because they are, to be sure, trained in the fundamentals.

Talkative MITI and MOF bureaucrats can be classified into three types: First, there are those who are fond of self-flattery. Among the top-class officials, there are bureaucrats who will brag about the roles they have played in Japan-U.S. talks. If you give them some encouragement, they will talk on without end. Second, there are those who share a common characteristic with the first group: they can be easily encouraged. If you interrupt them with "What you have said does not seem to make sense," they will inadvertently come out with secrets while speaking eloquently about how their own view is correct. Then comes the third type: those who get drunk easily or who have a weakness for women. The more they drink, the more they talk. The more they are coaxed or coddled, the more they talk.

In this regard, there is no need for the CIA to have any direct contacts. If the CIA would contact the right people, they would talk as much as possible. Since intelligence can be collected to such an extent without

launching any specific espionage activities, the issue at hand entirely concerns problems with behavior.

In other words, it is safe to use no sophisticated equipment at all. In the recent case, it was sufficient to use electronic equipment of a certain level. Americans call auto talks "car talks." However, in their viewpoint, "conversations about the car talks can be stolen from car talks (conversations made via car phones)." Many cars in Japan that are used by major cabinet members are still not equipped with scramblers (a wiretapping prevention device).

Moreover, before Mr. Yasuhiro Nakasone became the master of the Prime Minister's Official Residence, there were no direct telephone lines that could be used by the prime minister either at the Prime Minister's First Official Residence [kantei] or Second Official Residence [kotei]. No scramblers were attached to phone lines connected to switchboards at either the Prime Minister's First or Second Official Residences. Finally, however, when I made a recent call directly to the Prime Minister's Official Residence, I noticed a scrambler was used at least when I asked for the prime minister's secretary.

The Reality Is That There Are No "Intelligence Organizations" in Japan

What activities are Japanese intelligence organizations engaged in? There is no denying that members of the Japanese intelligence organizations are seriously engaged in their activities and that they play a certain role. However, when judged by the world standards, it is regrettable to say that these organizations have not broken out of the very basic level of intelligence organizations.

For example, the Public Security Investigation Agency's primary target is the Communist Party of Japan, and its secondary target is the Soka Gakkai. It is true that some staffers of the Cabinet Information Research Office [CIRO] are engaged in collecting intelligence. However, a large portion of their work is concentrated on translating foreign newspapers and magazines. What is more, translation work is entrusted to either college instructors or other subcontractors.

Thus, CIRO's work is carried out at the same level as that of the Public Security Department of the Metropolitan Police Department. On the contrary, the police do a much better job in such activities as intelligence gathering or counterespionage operations. Moreover, an investigation department has been set up at the DA's Ground Staff Office. The department's First Investigation Section is in charge of collecting general intelligence, including domestic intelligence, while its Second Inves-

tigation Section is in charge of collecting overseas intelligence. Originally, the Second Section was engaged in collecting military intelligence on various countries. There originally was a large team in charge of USSR intelligence, but no team in charge of U.S. intelligence has been set up so far. Therefore, no investigations have ever been conducted on the U.S. Forces in Japan. As an ex-staff member, I am quite familiar with the actual situation at the department.

A large amount of intelligence flows into MOFA, and there must be some important pieces of intelligence. However, the fact is the Ministry is not sufficiently staffed to scan and properly use the intelligence. At present, there are 4,000 MOFA staff members. However, I am of the opinion that the number should be doubled. This is because diplomats assigned overseas are generally mobilized to look after politicians, bureaucrats, or business leaders during their visits abroad. Thus, diplomats are unable to carry out their job in a serious way. They are not officials in charge of foreign diplomacy [gaiko-kan], but are in charge of internal diplomacy [naiko-kan]. If the number were doubled, they could do a little better job. However, under the current circumstances, diplomats are in a miserable situation. The truth is, unless an additional force of 4,000 staff members is mobilized, MOFA will not be able to engage in intelligence gathering.

As far as the so-called intelligence-collection activities are concerned, JETRO (the Japan External Trade Organization) is probably capable of doing a much better job. This organization is not engaged in espionage activities. However, each staff member has his own theme. Since efforts are made to collect intelligence on a specific theme, their actions may resemble those taken by agents of intelligence agencies, thereby arousing the attention of such agencies as the FBI (Federal Bureau of Investigation).

Let me tell you one of my own experiences. Under the GSDF, there is a counterespionage unit known as the Central Investigation Corps (CIC). Composed of field teams with several members set up at each location where SDF units are stationed, this unit is engaged in rounding up spies. That is why they are assigned to tail others.

When I exposed intelligence connected with the DA on several occasions, someone tailed me. Once I had dinner and a few drinks with a staff member of a publishing company and a uniformed DA officer. Beginning in the late afternoon, we moved from one place to another in the Roppongi area. The one tailing me happened to be a former senior colleague from my DA years. A few days later, he said to me: "Mr. Ogawa, because of you,

I had to pay Y160,000 out of my own pocket." I rather ironically responded: "That's nothing compared to the payment made by the 'S' Publishing Company."

They are exactly like a group of boy detectives. It is most regrettable, but this is the actual state of intelligence organizations in Japan. Therefore, it would be better to regard intelligence organizations as nonexistent in Japan.

The reason talkative elites and boy detectives are allowed to have their own way is the backwardness in the common approach toward "intelligence" work among the Japanese. What does this mean? In Japan, when it comes to "intelligence" work, people think it will do to merely have something like intelligence organizations set up to randomly collect intelligence from the world or pull together intelligence about opponents. However, it is not the approach shared by top-class intelligence professionals in the world.

For example, the most symbolic approach is an incorrect understanding of the "Art of War" shared by the Japanese. A famous quotation from the "Art of War" reads: "Know the enemy and know yourself, and you can fight a hundred battles with no danger of defeat." These words used to be mentioned by elite officers of the former Imperial Army, Navy and Air Force during the years before the last war, and were also frequently quoted by officers of the post-war Self-Defense Forces and at seminars conducted for business leaders.

First, you have to know your opponent well. In the same way, you must know yourself well. Then there is no danger of defeat. That is the reason why the Japanese will try to pull together intelligence on their opponents. However, the truth is that the second phrase in the "Art of War" quotation is much more important. In this respect, the U.S. forces are well trained.

The second phrase reads: "If you know yourself, but not your enemy, chances are you will win one battle but lose another." In other words, it may happen that you fail to get intelligence about how your enemy can be defeated or that you do not know your enemy well. However, it is said that even under such circumstances, if you only know yourself sufficiently well and know your roles well enough, you have about an even chance of winning.

It goes without saying that in the arena of the worldwide intelligence warfare, it is impossible to know whether you can obtain accurate intelligence about your opponents. Therefore, as stated in the "Art of War" second phrase, to obtain intelligence about the world, you should first try to know yourself. You must know what level you have attained and what capabilities you have.

While knowing all this, you must try to collect intelligence about the world in a corresponding way. Yet, the Japanese do not seem to have this point in mind at all.

Prior to "Intelligence Warfare," Try To Know Yourself First

Let me take up the issue of the Japan-U.S. Security Arrangement as an example. This issue has once again come into the limelight. Japan has long been under the illusion that it has been under U.S. unilateral protection. However, roughly speaking, Japan was under unilateral U.S. protection only up to 1970. At present, the ratio of the strategic ratio between Japan and the United States stands at four to six. We are almost equal partners now. However, up until the end of the Gulf war both the MOFA and DA only vaguely understood this fact.

That is the reason concerned elite officials at MOFA's North American Affairs Bureau [NAAB] maintained that Japan, which is under unilateral U.S. protection, should provide \$13 trillion in funds during the Gulf war since it could not dispatch any servicemen. The result was that no gratitude was expressed for Japan. An NAAB section chief in charge at the time stated: "Military bases in Japan are only one-fiftieth the value compared to Subic Bay." His understanding is contrary to the facts. For a responsible section chief, who should be in charge of safeguarding Japan's national interests, to have such an understanding will certainly result in problems.

The U.S. military bases in Japan provided under the Japan-U.S. security arrangement are supported by our own taxes. We must know what capabilities these bases have and what value they hold for U.S. strategy. If we can sit down at the negotiating table with such knowledge, we will not be blamed as being unfair or criticized as always taking advantage of the security arrangement.

The U.S. military bases in Japan support U.S. forces whose actions cover half of the earth, from Capetown to Hawaii. Even for the current fiscal year, Japan provides funds totalling Y625.7 billion to the U.S. military bases as its share of the expenses for U.S. Forces in Japan [USFJ]. Reportedly, this accounts for 70 percent of the costs for the USFJ. Of all the overseas U.S. bases, those in Japan are the only strongpoints that are considered to have the same strategic value as those in the continental United States. However, bureaucrats, academicians, and journalists are not aware of these facts. This is tantamount to engaging in a defeated intelligence warfare from the very beginning. In fundamentals, diplomatic operations are equal to intelligence warfare.

When the recent rape of a schoolgirl by U.S. servicemen took place in Okinawa, President Bill Clinton immediately offered his apologies. This was because of the fear that Japan might abolish the security treaty. Whenever something happens, Japan thinks that the United States may abolish the security treaty. However, on the contrary, if the United States should lose Japan, it would no longer be able to serve as the world leader.

Before saying something about intelligence warfare involving spies, what is important is to follow diplomatic fundamentals first. It is regrettable, but as far as Japan is concerned, it has no ideas about the fundamentals of diplomacy, and I don't think it is qualified to talk about intelligence organizations or intelligence warfare.

North Korea

Daily Criticizes 'Double-Faced Tactics' of U.S.

*SK1011101495 Pyongyang KCNA in English
1003 GMT 10 Nov 95*

["Double-Faced Tactics May Lead to Grave Situation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — The United States held a meeting of the 17th "South Korea-U.S. Military Committee" with the South Korean puppets in Seoul a few days ago, slandered the DPRK and decided to hold another annual joint military exercise apart from the Team Spirit maneuvers.

NODONG SINMUN today brands this as a deliberate betrayal of the DPRK-U.S. framework agreement and a very dangerous step to aggravate the situation on the Korean peninsula and bring it to the brink of war.

The news analyst says:

The Foal Eagle 95 is a revised version of the Team Spirit joint military maneuvers. By deciding to stage another annual joint military exercise, they meant to hold such large-scale military exercises as the Team Spirit twice a year.

The United States is sharpening the sword behind its smiling diplomacy with the DPRK. This double-faced tactics may lead to a grave situation — aggravation of the DPRK-U.S. relations and increase of tensions. It goes without saying that in that case the U.S. is to blame.

At the meeting, the chairman of Joint Chiefs of Staff of the U.S. groundlessly slandered the DPRK and called for "preparedness for war," "joint effort" and "reinforcement of U.S. forces." This revealed the ulterior intention of the U.S. to give the South Korean puppets a shot in

the arm, goad them into a fratricidal war, hinder the reunification of Korea and keep South Korea as its colony forever.

If so, the inter-Korean relations will go from bad to worse.

The United States will be wholly to blame for the grave consequences of its violations of the framework agreement with the DPRK.

We are sharply watching every movement of the United States.

U.S. 'Policy of Strength' Viewed

SK1011050895 *Pyongyang KCNA in English*
0426 GMT 10 Nov 95

["NODONG SINMUN on U.S. Policy of Strength" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — As long as there remains imperialism on this globe and the imperialists pursue the policy of strength for world supremacy, the peace and security of the world cannot be ensured. Though the cold war was terminated, the United States continues pursuing the policy of strength. NODONG SINMUN says this in a by-lined article on November 9.

The paper says:

The United States employs every conceivable means for "upper hand in strength." It is well illustrated by the fact that the United States has steadily increased military expenditures and formally adopted the "strategy of simultaneous victory in two regions" as the key point of the U.S. military strategy.

The U.S. military expenditures in the fiscal year 1995 were dls 2.8 billion larger than those in 1993. The military budget for the fiscal year 1996, dls 3 billion larger than in 1995, was fixed. The U.S. Energy Department plans to increase spendings for the nuclear arms program in the fiscal year 1996 8.5 percent as against 1995.

The nuclear arms reduction treaty was already signed between the United States and Russia and nuclear weapons are being eliminated. But the U.S. is going ahead with the modernization of nuclear weapons. This indicates that the U.S. is persistently trying to attain "nuclear predominance" to realise its aggressive design with nuclear weapons.

The aggressive "strategy of simultaneous victory in two regions" is based on the arrogance of the U.S., which is boasting of being "the only superpower" in the world. It is aimed at further intensifying high-handed

military actions in the future. The two extensive regions mentioned in this strategy are Middle East and the Korean Peninsula.

The U.S. strategy of strength finds a concentrated expression particularly in the Korean Peninsula.

The U.S. still intends to stifle the Democratic People's Republic of Korea and its socialist system with strength. This intention has become all the more crafty and dangerous.

The joint military exercise "Foal Eagle 95" aimed at destroying the DPRK goes to show that the U.S. is persistently resorting to the policy of strength to dominate the world, while giving lip-service to "peace" and "detente."

Daily Denounces 'U.S.-Japan Security Alliance'

SK1111075495 *Pyongyang KCNA in English*
0750 GMT 11 Nov 95

["What 'U.S.-Japan Security Alliance' Is Intensified For" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — NODONG SINMUN today brings to light the real intention of the United States and Japan to keep and intensify the "U.S.-Japan security alliance", a product of the Cold War.

The author of the article headlined "What 'U.S.-Japan Security Alliance' Is Intensified For" says:

The United States is above all seeking to take hold on Japan in order to realize its military strategy. To dominate the world militarily is the invariable wild ambition of the United States. Therefore, Japan is fit for a strong military seat the United States needs in Asia. In fact, Japan is serving as a military and strategic vantage-point of the United States.

The U.S. also needs the "U.S.-Japan security alliance" for its economic interests.

A large share of expenses for the maintenance of the U.S. troops in Japan is burdened by Japan. This enables the United States to keep its troops there with much less money than that for keeping them in the U.S. mainland. And the United States reckons that it is able to have access to the Asian market with ease with the "U.S.-Japan security alliance" as an expedient.

The United States is also seeking to bind Japan to itself and settle the outstanding trade friction with Japan in its favour behind the facade of the "U.S.-Japan security alliance".

Japan is taking a zealous part in the U.S. Asia policy. Lurking behind it is the real intention of Japan to easily

realize the wild ambition for turning into a military power and a political power with the backing of the United States. Japan still has the wild ambition to dominate Asia, and is well aware that anything cannot be done without the U.S. backing in realizing such wild ambition.

The intensified "U.S.-Japan security alliance" which is aimed at domination and aggression is becoming the main factor creating military tensions on the Korean peninsula and in Asia and, furthermore, posing a threat to world peace and security.

U.S.-South Military Exercises Held

*SK1211072795 Pyongyang KCNA in English
0722 GMT 12 Nov 95*

[*"Military Exercise Against North" — KCNA headline*]

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA) — The U.S. imperialists and the South Korean puppets staged a joint air military exercise against the North on November 8 and 9, according to military sources.

Participating in the war gamble in the sky above Anmyon and Tojok Islets of South Korea were scores of assault planes of the U.S. Pacific Fleet and about 590 fighter planes of the Seventh U.S. Air Force and the South Korean puppet air force. The exercise was aiming at joint air command of flying corps of the U.S. and puppet air forces and at joint surprising forestalling attack on the northern half of Korea.

On the 8th two P-3 patrol planes flew in the sky above Tojok Islet and sea off Samchok for hours, conducting espionage on the West Sea and East Sea [Yellow Sea and Sea of Japan] of Korea and the sea-bottom.

Formations of transport planes of the puppet air force launched airlifting operations of "commandos" in the sky above Sinchon-ri, Paju County, Kyonggi Province for infiltration into the depth of the North.

On the 9th heavy tank groups and soldiers of the South Korean puppet army fired tank guns and large-calibre machine guns at the adjacent areas of the Demilitarized Zone in Yonchon and Paju Counties of Kyonggi Province and Chorwon County of South Korean Kangwon Province.

The U.S. imperialists and the South Korean puppets should ponder over a grave consequence of the touch-and-go situation prevailing on the Korean peninsula before running amuck at random.

South Commits 'Military Provocations' in DMZ

*SK1011063495 Pyongyang KCNA in English
0428 GMT 10 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — The South Korean puppets committed a grave military provocation against the North of Korea in the Demilitarized Zone (DMZ) on November 8, according to military sources.

They levelled 90 mm recoilless guns and 12.7 mm machine guns at civil policemen of the North for hours in different spots of DMZ in the central and western sectors of the front and introduced more than 30 military vehicles carrying combat equipment into DMZ.

By their undisguised reckless military provocation, the safety of the North's civil policemen was gravely threatened and tension in DMZ elevated.

South To Introduce Combat Equipment

*SK1111051295 Pyongyang KCNA in English
0354 GMT 11 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — The South Korean puppets have planned to lease 20 P-34 training planes from the United States for ten years from next year, according to a radio report from Seoul.

The puppet clique, not satisfied with the yearly introduction of a large amount of lethal weapons, is scheming to bring in even training planes under the cloak of "lease".

Foreign Parties Urge End to 'Fool Eagle 95'

*SK1111081295 Pyongyang KCNA in English
0758 GMT 11 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — Foreign political parties and organizations recently issued statements accusing the United States and the South Korean authorities of staging a joint military exercise, codenamed "Fool Eagle 95", throughout South Korea.

The Yemeni Regional Leadership of the Arab Socialist Baath Party said in a statement that the exercise, another round of the nuclear war manoeuvres "Team Spirit", is a move against the spirit of the agreed framework adopted between the Democratic People's Republic of Korea and the United States and is also a challenge to the DPRK's efforts for the establishment of a new peace mechanism in the Korean peninsula.

In a joint statement the Nepal-Korea Friendship Association, the Nepali Committee for Supporting Korean Reunification, the Nepal Institute for Chuche Studies

and the International Study Centre for Chuche-Oriented Mass Media in Nepal said the United States must be mindful that if it aggravates the situation and unleashes a war in Korea, ignoring the unanimous demand of the world people, it will meet a strong protest and bitter denunciation.

The Jordanian Committee for Solidarity With the Korean People said the United States, Japan and South Korea are stepping up the formation of their three-way military alliance, going against the trend of the present time towards peace and detente. It strongly urged an immediate end to the "Foal Eagle 95" exercise and the moves to cobble together the triangular military alliance.

The General Federation of Trade Unions of Yemen expressed the expectation that the United Nations and the world's peaceloving people will give support and solidarity to the Korean people including workers in their efforts for peace and security in the Korean peninsula and its reunification.

Protests Against No's 'Secret Fund' Viewed

SK1111080495 *Pyongyang KCNA in English*
0753 GMT 11 Nov 95

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — Demand for arrest of the traitor No Tae-u and the enactment of a special law on punishing the May 18 Kwangju murderers is growing stronger in Pusan, South Korea, according to a report.

The Pusan Regional Citizens Federation for Economic Justice in a statement urged the traitor No Tae-u to make public in detail how he amassed his secret fund and how he used it.

The Pusan Alliance for Democracy and Reunification in a statement demanded the arrest of the traitor No Tae-u, opening the truth behind "presidential election" fund to the public and investigation into those businesses which contributed secret fund. The Pusan Citizens Measure Committee for a Probe Into the May 18 Truth and Enactment of a Special Law held the first conference and set it as two major targets to launch a demonstration protesting the creation of No's slush fund and a movement for urging the enactment of a special law on punishing those responsible for the May 18 massacre and decided to conduct a sustaining all citizens' movement.

Representatives of some 40 trade unions under the Pusan-Yangsan Regional Headquarters of the Preparatory Committee for the General Federation of Democratic Trade Unions decided to make public a political declaration of workers demanding investigation into the

slush fund and the May 18 incident and the abolition of the evil Labour Law.

Demands To Open 'Slush Funds' to Public Viewed

SK1111081395 *Pyongyang KCNA in English*
0801 GMT 11 Nov 95

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — The South Korean opposition camps have been demanding the opening of the slush funds to the public, a Seoul-based radio said.

The spokesman of the opposition National Congress for New Politics exhorted, on November 9, the "Democratic Liberal Party" (DLP) to open to the public, at an earlier date, the "presidential election" funds it had received from No Tae-u.

The opposition Democratic Party said that the prosecution, with the current case as an occasion, must make a thorough investigation and take steps for improving the systems so as to sever the links of collusion between political groups and businesses.

Kim Chong-pil of the opposition United Liberal Democrats held that a thorough and perfect investigation should be made against the irregularities of Kim Yong-sam, so that the links of collusion between politics and business can be severed on this occasion.

The Alliance of Citizens for Realizing Economic Justice and the members of the Federation of Women's Organizations, at a meeting November 8 calling for the detainment of the traitor No Tae-u, demanded that the truth behind the slush funds be probed and the "presidential election" fund be made public.

The participants in the meeting held that the "Kim Yong-sam 'regime' must make public, of its own accord, the presidential election fund that is brewing public suspicion and thereby discharge its obligation before history."

Lawmaker Claims Kim Yong-sam Received Money

SK1011102095 *Pyongyang KCNA in English*
1011 GMT 10 Nov 95

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — Choe Chae-sung, a "lawmaker" from the opposition National Congress for New Politics in South Korea, Thursday [9 November] said the traitor Kim Yong-sam received 300 billion won of "presidential election" campaign fund, a Seoul-based radio reported.

Kim Yong-sam also received a colossal amount of "congratulatory money" from No Tae-u after his "election," the "lawmaker" added.

According to Choe Chae-sung, Kim Yong-sam met with No Tae-u and received more than 100 billion won to "take over the government" from No on February 24, 1993, just before his "presidential inauguration."

In a questionnaire circulated before the "Budget Account Settlement Committee meeting of the National Assembly," Choe Chae-sung said Kim Tok-yong, a right-hand man of Kim Yong-sam, met with the "protocol chief of Chongwadae [presidential offices]" of No Tae-u on February 23, 1993 to discuss the "transfer of the government" and political fund in advance.

NDFSK Demands Arrest of Former President No
SK1211074195 Pyongyang KCNA in English
0724 GMT 12 Nov 95

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA) — A spokesman of the Japan mission of the National Democratic Front of South Korea (NDFSK) in a statement on November 9 charged that the traitor No Tae-u's slush fund scandal is the arch crime of the "Sixth Republic government" and the present dictatorial "civilian government", not limited to an individual.

Kim Yong-sam's regime is a shelter of No Tae-u and Kim is a cruel accomplice who has conspired with No by power and money, said the statement.

It demanded that the traitor Kim Yong-sam arrest No Tae-u for investigation and legal action as requested by the people and make public the seamy side of all the fabulous political fund he received from No in support of his candidacy in the "presidential election".

Thorough Investigation of No Scandal Demanded
SK1011104195 Pyongyang KCNA in English
1025 GMT 10 Nov 95

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — The Central Committee of the National Democratic Front of South Korea (NDFSK) made public an appeal on November 7 calling for a struggle against the current moves of the Kim Yong-sam group to conceal and bury in oblivion the fund scandal of No Tae-u, according to the Seoul-based radio Voice of National Salvation.

It said that the struggle to uproot irregularities and scandals is precisely for the people themselves.

It called for immediately arresting and punishing No Tae-u, the kingpin of the scandals of the "Sixth Republic", and taking Kim Yong-sam, an accomplice and patronizer of the "Sixth Republic" scandals, to the court for the judgment by the people.

It appealed for close combination of the struggle for liquidating irregularities with the struggle for the punishment of the main culprits of the May 18 Kwangju massacre, the abrogation of the "National Security Law" and the dissolution of the "Agency for National Security Planning".

Pointing out that the struggle for liquidating irregularities must be developed into a nationwide struggle against the United States, the appeal stressed that the United States must stop interfering in the internal affairs of South Korea, clearly mindful that assistance to the group of traitors will bring no favour to them.

It called for continuing to fight, giving no breathing space to the Kim Yong-sam group, until the truth behind the "presidential election" support fund will be thoroughly investigated and the corrupt "civilian"-veiled dictatorial regime will be overthrown.

South 'Ardently Revering' Kim Chong-il
SK1211072195 Pyongyang KCNA in English
0715 GMT 12 Nov 95

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA) — South Korean people are ardently revering the great leader Comrade Kim Chong-il, said Seoul-based radio Voice of National Salvation.

A university professor Pak Chol-min said at a seminar of the members of the Patriotic Fellowship Society in Kwanak District, Seoul:

"Getting a knowledge of the leader Kim Chong-il's politics, I have deeply felt that he is the leader of the nation who is able to overcome all difficulties facing the nation, with distinguished qualification and leadership ability enough to glorify the Tangun nation for all ages.

"I hope that you will, united in one mind, discharge your duty as vanguards in setting up a reunified confederal state without fail, holding him in high esteem as the lodestar of national reunification."

A company clerk Kim Pyong-su in Ulsan County, South Kyongsang Province, had a conversation with the members of the February 16 Fellowship Society in mid-October. He told them:

"Seeing through TV the celebrations of the anniversary of the Workers' Party of Korea held in Pyongyang, I felt again that the leader Kim Chong-il is the greatest statesman and an outstanding military commander with matchless grit undaunted by any stresses and storms, and that nothing can break the singlehearted unity of the north's people around him.

"There are many countries in the world which are at a loss what to do with no correct coordinates.

"The North, however, is emerging victorious under the banner of socialism, unyielding to the imperialists' pressure, because it is guided by the leader Kim Chong-il respected by the whole world as the greatest man.

"He is, indeed, the best statesman in the world."

WPK Hosts Reception for Russian Communist

*SK1211074395 Pyongyang KCNA in English
0728 GMT 12 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] gave a reception for Chairman of the Council of the Union of Communist Parties-the Communist Party of the Soviet Union Oleg Shenin and his party on November 11.

Secretary of the WPK Central Committee Hwang Chang-yop said in his speech that the Union of Communist Parties-the Communist Party of the Soviet Union has achieved great success in the struggle for strengthening the unity with communist parties restored in the former Soviet Union and reviving socialism which was gained by people with their precious life and blood and sweat. He wished the Union of Communist Parties-the Communist Party of the Soviet Union a new success in its future activities.

Noting that to restore the global socialist movement on a new basis is the behests of the great leader Comrade Kim Il-song and the firm will of the WPK, he stressed: "The WPK and the Korean people will always support and encourage your struggle for restoring socialism in regular ranks and continue to make efforts to promote close friendship and cooperation with the Union of the Communist Parties-the Communist Party of the Soviet Union."

Oleg Shenin said in his speech that the Korean revolution which was pioneered by Comrade Kim Il-song and has been led by Comrade Kim Chong-il is a model and example for the people struggling for socialism.

Noting that socialism has been existed in Korea and the justness of its cause is growing day by day, he extended thanks to the great leader of the Korean people Comrade Kim Il-song and Comrade Kim Chong-il for having made them believe that the cause of socialism will be realised.

Comrade Kim Chong-il is creditably carrying forward the great idea of Comrade Kim Il-song, he said, and added that he wished Comrade Kim Chong-il a long life in good health.

Russian Communist Chairman Visits Memorial

*SK1311040695 Pyongyang KCNA in English
0324 GMT 13 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — Chairman of the Council of the Union of Communist Parties-Communist Party of the Soviet Union Oleg Shenin and his companion on November 12 called at the Kumsusan Memorial Palace in which the great leader President Kim Il-song is preserved in state and paid homage to him.

They expressed respects to President Kim Il-song before his statue and made a deep bow to him who is preserved in state.

Oleg Shenin wrote in the visitor's book that the progressives of the world always feel grateful to Comrade Kim Il-song, the great man of the century and the great leader of the Korean people, who made great contributions to the happiness and prosperity of humankind and to the cause of socialism.

"We will always remember Comrade Kim Il-song, the great son of our planet," he added.

The delegation of the newspaper CHOSON SINBO under the General Association of Korean Residents in Japan (Chongnyon) headed by its editor Choe U-kyun staying in the socialist homeland visited the Kumsusan Memorial Palace on November 12 to pay homage to the respected leader President Kim Il-song.

Russian Communist Leaders Visit Statue

*SK1311041495 Pyongyang KCNA in English
0326 GMT 13 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — Oleg Shenin, chairman of the Council of the Union of Communist Parties-the Communist Party of the Soviet Union, and his companion on November 11 laid bunches of flowers before the statue of the great leader President Kim Il-song on Mansu Hill and made a bow.

They were accompanied by Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea.

On the same day, secretary general of the Asian regional Institute of the Chuche Idea Gobind Narain Srivastava [name as received] and his companion placed flowers and made a bow before the statue of President Kim Il-song.

Agreement Signed With WFP on Providing Rice*SK1011105095 Pyongyang KCNA in English
1034 GMT 10 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — An agreement on offering of dtrs 8,850,000 worth of rice and edible oil [as received] to some flood-stricken areas of the Democratic People's Republic of Korea by the World Food Program [WFP] was adopted here Thursday [9 November].

It was signed by the secretary general of the DPRK National Committee of the WFP and Trevor Page, special advisor to the WFP.

Foreign Ministry Comments on Rabin Assassination*SK1111230395 Pyongyang Korean Central
Broadcasting Network in Korean
2205 GMT 11 Nov 95*

[FBIS Translated Text] On 11 November, a spokesman for the DPRK Foreign Ministry answered questions raised by a KCNA reporter in relation to the recent assassination of the Israeli prime minister.

He said as follows:

On 4 November, Israeli Prime Minister Yitzhaq Rabin was assassinated by a Jewish terrorist in his country. This once again shows in which country terrorism is occurring.

Terrorist acts have often occurred in the United States and its satellite nations which heaped abuses on other countries as terrorist states.

Prime Minister Rabin became a scapegoat of terrorism. This is an unavoidable event in such a terrorism-fostering country as Israel.

As has already been clarified, we oppose all kinds of terrorism.

Our Republic, a dignified member nation of the United Nations, maintains its consistent stand of opposing all types of terrorism and any assistance to it.

In order to get rid of terrorism, a peaceful and stable order must be set up by which human rights are ensured to the maximum. Our country is the most superior people-centered society in which such demands are fully met and ensured by law.

Foreign Ministry on Opposition to Terrorism*SK1111043895 Pyongyang KCNA in English
0426 GMT 11 Nov 95*

["We Oppose All Kinds of Terrorism; Answer of DPRK Foreign Ministry Spokesman" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea gave answers to questions put by KCNA on Saturday as regards the recent assassination of the Israeli prime minister.

He said:

The assassination of Israeli Prime Minister Yitzhaq Rabin shows once again in which country terrorism is occurring.

Terrorist acts are common phenomena in the United States and its satellite nations which label other countries as terrorist states.

The assassination of the Israeli prime minister is an unavoidable thing in such a terrorism-fostering country as Israel.

As was clarified, we oppose all kinds of terrorism.

The DPRK, a dignified member nation of the United Nations, maintains its consistent stand of opposing all types of terrorism and assistance to it.

It is imperative in eliminating terrorism to establish a peaceful and stable order by which human rights are fully guaranteed.

Our country is the most advantageous society centred on the people in which such demands are fully met and ensured by law.

Report on Departures, Arrivals of Delegations*SK1111100395 Pyongyang KCNA in English
0937 GMT 11 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — A delegation of the Workers' Party of Korea [WPK] led by Won Tong-ku, member and director of a department of the WPK Central Committee, left here today to visit Syria, Libya and Yemen.

Secretary General of the Asian Regional Institute of the Chuche Idea Govind Narain Srivastava [spelling of name as received] and his party and chairman of the Council of the Union of Communist Parties-the Communist Party of the Soviet Union Oleg Shenin and his party arrived here today.

Hwang Chang-yop Meets Chinese Delegation

*SK1111095995 Pyongyang KCNA in English
0936 GMT 11 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop today met and had a friendly talk with the visiting delegation of the Shanghai Institute of International Studies of China led by its Director Chen Peiyao.

The head of the delegation said that the Korean people have achieved great success in the socialist construction under the wise leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Najin-Jilin Liner Transport System Established

*SK1011103995 Pyongyang KCNA in English
1020 GMT 10 Nov 95*

[FBIS Transcribed Text] Najin-Sonbong, November 10 (KCNA) — A Najin-Pusan liner transport system between Najin Port of the DPRK and the Yanbian Sea Transport Corporation in Jilin Province, China, was opened today with due ceremony at Najin Port.

The ceremony was attended by officials concerned, employees of the port and the members of the Chinese corporation.

Speeches were made at the ceremony.

The speakers said Najin Port holds an important place in further developing transit trade. Active investment will be made to modernize the container facilities, and container transport service through liners will be enhanced, they added.

A red cloth was cut at Quay No. 8 of Wharf No. 2.

The participants were shown round the port.

Kong Chin-tae Meets With Japanese Group

*SK1111063395 Pyongyang KCNA in English
0414 GMT 11 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — Vice-Premier Kong Chin-tae met and had a friendly conversation with the visiting delegation of the East Asia Trade Research Board, Japan, led by its President Tetsuji Honma at the Mansudae Assembly Hall on November 10.

Present there was Cho Won-myong, chairman of the DPRK Committee for the Promotion of International Trade.

'Shameless Sophism' of Japanese Government Viewed

*SK1011104695 Pyongyang KCNA in English
1033 GMT 10 Nov 95*

["Shameless Sophism Reversing Black and White" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — Takami Eto, chief of the Management and Coordination Agency of Japan, told reporters on October 11 that Japan did some good things in Korea during its colonial rule.

His shameless remark is an intolerable insult to the Korean people, who underwent misfortunes and sufferings due to the Japanese imperialists.

Eto said Japan built railroads, [word indistinct] and schools in Korea. It is self-evident that the Japanese imperialists did so for their colonial rule, subjugation, exploitation and plunder in Korea and not for help to the Koreans.

The Japanese imperialists illegally occupied Korea and enforced a brutal colonial rule. They built railroads and ports to exploit all the material resources of Korea as well as manpower. They extorted a large amount of gold and more than ten million sok of rice from Korea every year.

They tried to obliterate Korean language and names and "Japanize" the Koreans. They forced the Koreans to change their names to Japanese ones.

What they did during their occupation of Korea for more than 40 years was done to plunder more natural resources and cultural treasures and use Korea as a forward base and bridgehead for aggression on the continent.

Eto's remarks show Japan's political vulgarity and moral ignorance. His remarks can never be tolerated in that they were made to justify the Japanese imperialists' colonial rule over Korea.

He also said that if the August 1910 "Korea-Japan Annexation Treaty" is termed invalid, there can be established no international agreement and that the conclusion or the treaty was a result of international relations based on strength at that time. This brigandish remark also revealed the reactionary and aggressive nature of the Japanese Government.

Eto's remarks are very ill-boding in that they came at a time when the agreement for resumption of DPRK-Japan talks had been adopted and voices for its realization were getting louder.

The Korean people and other peoples around the world, who cherish justice and truth and respect international law and humanitarian principle, will never pardon Japan's shameless, senseless behavior.

Japan must give up the intention of legitimating the history of aggression on Korea and justifying its colonial rule over Korea. It must apologize and compensate for its past crimes - colonial slavery forced on the Korean people.

North, Japanese Groups Agree on Exchanges

*SK1111095195 Pyongyang KCNA in English
0943 GMT 11 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — A joint communique of the DPRK Committee for the Promotion of International Trade and the East Asia Trade Research Board of Japan was published here.

The communique was signed by chairman of the Committee Cho Won-myong on behalf of the DPRK Committee for the Promotion of International Trade and by President of the Board Tetsuji Honma on behalf of the delegation of the board.

The communique says:

A delegation of the East Asia Trade Research Board of Japan led by President Tetsuji Honma visited the Democratic People's Republic of Korea from November 7 to 11, 1995 upon the invitation of the DPRK Committee for the Promotion of International Trade.

During the visit, both sides had a beneficial and open-hearted exchange of views at talks and confirmed that it is beneficial to both sides to develop economic and trade relations on the principles of equality and reciprocity.

During its stay, the delegation visited industrial establishments, ports and others in different parts of Korea. This was helpful toward future development of economic and trade exchange because in the course of this, both sides deepened mutual understanding.

The sides had identical views on the following points to develop economic and trade exchange between the two countries:

1. Confirming that the difference of the economic systems of the two countries does not stand in the way of economic and trade exchange, both sides agreed to make an active effort to develop economic relations between the two countries.
2. Both sides considered it necessary to increase mutual visits of delegations to seek ways for development of economic relations and realise practical economic and trade exchange, and agreed that a delegation of the

DPRK Committee for the Promotion of International Trade would visit Japan at a mutually convenient time.

3. Both sides acknowledged the necessity to progressively revise the "general conditions for commercial dealings between the DPRK and Japanese trading companies," which was revised on September 17, 1980, to suit the current international economic environment, and agreed to revise it as soon as possible through talks between delegations of both sides in Pyongyang or in Tokyo.

4. Both sides hoped that diplomatic relations would be established between the DPRK and Japan at an early date for comprehensive expansion and development of economic exchange between the DPRK and Japan.

Daily Criticizes Eto's Remarks on Korea

*SK1111064595 Pyongyang KCNA in English
0406 GMT 11 Nov 95*

["Rigmarole of Heinous Militarist" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — The remark of Takami Eto, chief of the Management and Coordination Agency of Japan, totally denying the aggressive history of the Japanese imperialists against Korea is causing bitter indignation among the Korean people, says NODONG SINMUN in a commentary today.

At a press conference, Eto made an affirmative remark about "Japan-Korea Annexation Treaty", saying that it is a "result of strength between states in those days". He went the length of saying that during the colonial rule over Korea, Japan "did some good things in Korea."

Commenting on his rigmarole, an analyst of NODONG SINMUN says:

It is ridiculous to argue about the legitimacy of the "Korea- Japan Annexation Treaty," which was rigged up when Japan administered military rule in Korea. In the 40 odd years of its colonial rule over Korea, Japan did nothing "good".

It is dangerous that Eto and other dyed-in-the-wool militarists are swaggering about as cabinet members of Japan with their heads raised.

Five days before Eto made the unreasonable remark, the top authority of Japan talked about validity and legitimacy of the criminal "Japan-Korea Annexation Treaty". And incumbent cabinet members showed up at official places and defended such arguments one after another.

This tells that militarists are lording it over in Japanese political circles. Much effort is not needed to predict

which way Japan will take with such militarists engaged in politics.

If the reactionary Japanese ruling circles do not dispell the militaristic dream, Japan will once again take the road of destruction.

Federation of Korean Buddhists in Japan Meets

*SK1011102295 Pyongyang KCNA in English
1005 GMT 10 Nov 95*

[FBIS Transcribed Text] Tokyo, November 8 [date as received] (KNS-KCNA) — The 23rd regular meeting of the Federation on Korean Buddhists in Japan [FKBJ] was recently held in Tokyo.

A report of the Federation of Korean Buddhists in Japan on the work of its central council was made at the meeting.

Hong Po-wol was elected chairman of the FKBJ.

The meeting adopted a letter to the great leader Marshal Kim Chong-il.

Cambodian Embassy Marks Independence Day

*SK1011080995 Pyongyang KCNA in English
0438 GMT 10 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — Cambodian Ambassador to Korea Oum Mannorine gave a reception on the occasion of the 42nd anniversary of the independence of Cambodia on Thursday.

The ambassador in his speech said that the exceptional fraternal friendship between the two countries and the two peoples constantly strengthened and developed by respected his majesty King Norodom Sihanouk and respected his excellency Generalissimo Kim Il-song, the great leader, had been existed for decades.

He stressed that his excellency Marshal Kim Chong-il, the successor to his excellency generalissimo and the supreme leader of the Democratic People's Republic of Korea, is making efforts to further consolidate the traditional relations of friendship and cooperation between the two countries, build glorious, steel-like socialist Korea and accomplish the revolutionary cause of chuche.

"I solemnly affirm that the government and people of Cambodia will continue to extend invariable, formal and full support to the just cause of the DPRK for the happiness and prosperity of the people and the independent and peaceful reunification of the country as in the past, so in the future, too," he stated.

Vice-Premier and Foreign Minister Kim Yong-nam said in his speech that over the past 42 years after

independence the Cambodian people have waged an unremitting struggle to defend the sovereignty of the country and the national dignity and achieved a great victory, bravely overcoming all kinds of trials and difficulties.

He noted that the government and people of Cambodia are now striving to promote national reconciliation and unity and to reconstruct the country as early as possible under the leadership of respected his majesty King Norodom Sihanouk, the father of the Khmer nation and an outstanding patriot.

Our people are sincerely rejoiced over this and wish them greater success in their efforts for building prosperous Cambodia, independent, peaceful, neutral and non-aligned, he said.

Premier Sends Messages to Cambodian Leaders

*SK1111030295 Pyongyang Korean Central
Broadcasting Network in Korean
1300 GMT 8 Nov 95*

[FBIS Translated Text] Comrade Kang Song-san, premier of the Administration Council, has sent congratulatory messages to Norodom Ranariddh, first prime minister of the government of Kingdom of Cambodia; and Hun Sen, second prime minister.

The congratulatory message noted that it extends the warmest congratulations [kajang yolyolhan chukka] on the occasion of the 42d independence anniversary of the Kingdom of Cambodia. The message pointed out that it sincerely wishes the Cambodian people greater success in their works to build a new independent, sovereign, permanently neutral, and nonaligned Cambodia.

The congratulatory message stressed that traditional friendship and cooperative relations between the two countries are based on special fraternal amicable relations, which were forged between the great leader Comrade Kim Il-song and the respected His Excellency King Norodom Sihanouk. The message expressed the firm belief that these relations will be continually consolidated and developed.

Overseas Groups Pay Homage to Kim Il-song

*SK1011064495 Pyongyang KCNA in English
0433 GMT 10 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — The delegation of the Phalang Tham (Righteous Force) Party of Thailand led by its deputy leader Krasae Chanawong on November 9 visited the Kumsusan Memorial Palace, where the great leader President Kim Il-song is preserved in state, and paid a homage to him.

Present there was Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea.

The head of the delegation wrote in the visitor's book that he was deeply impressed by his visit to the supreme holy place in the world and he hoped that the friendly relations between Thailand and Korea would continue to develop in the future.

On the same day the delegation of the Shanghai Institute of International Studies of China led by its director Chen Peiyao, the delegation of the East Asia Trade Research Board, Japan, led by its President Tetsuji Honma, the Japan-DPRK friendship delegation of the Yamanashi Prefectural People's Council led by Adviser to the Council Atsushi Akiyama and the military attaches of the Peruvian, Indian and Romanian embassies here visited the palace to pay homage to him.

Vice President Yi Chong-ok Meets Thai Group

*SK1111050795 Pyongyang KCNA in English
0412 GMT 11 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — Yi Chong-ok, Politburo member of the Central Committee of the Workers' Party of Korea and vice-president, met and had a friendly talk with the visiting delegation of the Phalang Tham (Righteous Force) party of Thailand led by its deputy leader Krasae Chanawong at the Mansudae Assembly Hall today.

The deputy leader said that during their visit to Korea, they were greatly impressed by the development of Korea great achievements have been made in various domains thanks to the wise leadership of the great Comrade Kim Chong-il and the chuche idea. He added.

Indonesian President Supports 'Just Cause'

*SK1111075595 Pyongyang KCNA in English
0743 GMT 11 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — Indonesian President Suharto met the ambassador of the Democratic People's Republic of Korea to Indonesia on November 7 when the latter paid a farewell call on him. He told the ambassador that the Korean people's intense loyalty to his excellency President Kim Il-sung that was displayed in the celebrations of the 50th anniversary of the founding of the Workers' Party of Korea shows they are successfully carrying forward his cause under the wise leadership of His Excellency Kim Chong-il.

He voiced the belief that the cause of his excellency President Kim Il-sung will be creditably accomplished by His Excellency Kim Chong-il, the supreme leader of the Korean people.

Meanwhile, the deputy secretary general of the Togolese People's Rally released a statement on November 5 supporting a statement of the DPRK Foreign Ministry spokesman. He said the United States, Japan and South Korea are putting spurs on the formation of a tripartite military alliance again, revealing that they are persistently pursuing the policy of strength to stifle the DPRK, while crying for the implementation of the DPRK-U.S. agreed framework.

"We express full support for the DPRK stressing the need to direct greater efforts to increasing self-defensive capacity to safeguard the nation's sovereignty and security," he said.

Pyongyang Meeting Marks Angolan Independence

*SK1011064295 Pyongyang KCNA in English
0429 GMT 10 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — A meeting to mark the 20th anniversary of independence of Angola was held in Pyongyang on November 9, under the co-sponsorship of the Korean Committee for Cultural Relations With Foreign Countries and the Korea-Angola Friendship Association.

Present at the meeting were Chon Yon-ok, vice-chairperson of the committee and chairperson of the association, officials concerned and working people in the city.

After a speech was made, a message of greetings to the president of Angola was adopted at the meeting.

Papers Observe Angolan 20th Anniversary

*SK1111080795 Pyongyang KCNA in English
0745 GMT 11 Nov 95*

["20th Anniversary of Independence Day of Angola Marked" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — Papers here today observe the 20th anniversary of the independence of Angola.

After independence the Angolan people have consolidated the national independence and sovereignty and achieved success in the work for building a new society, a signed article of NODONG SINMUN says, and goes on:

The Angolan people are now making efforts to realise a practical and lasting peace and achieve the stability of the country and social progress.

The Angolan Government is concentrating efforts on promoting the peace process of the country and providing the people with a stable, normal life.

Today, the government and people of Angola are striving to build a new independent and prosperous Angola, consolidating their already-made achievements.

The friendly and cooperative relations between Korea and Angola are developing on good terms.

Foreign Ministry Welcomes Developments in Balkans

*SK1111143295 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 11 Nov 95*

[FBIS Translated Text] In response to a question by a Korean Central News Agency reporter on the situation in the Balkans recently entering a phase of relaxation, a DPRK Foreign Ministry spokesman yesterday provided the following answer:

As has already been reported, the Balkans have seen new movement toward a peaceful settlement of the Bosnia-Herzegovina problem and other disputes. A cease-fire has been in effect throughout Bosnia-Herzegovina since 12 October; under the mediation of the United States and the European Union, talks between Serbia, Croatia, and Bosnia-Herzegovina have been held since 1 November. In addition, the dispute between Macedonia and Greece, which has lasted for quite a while, has entered the stage of resolution.

As is shown in the cease-fire now in effect in Bosnia-Herzegovina, the peace process has been launched as a result of the sincere efforts of Yugoslavia and other parties to the dispute, allowing the various disputes within the Balkans to be resolved through dialogue and negotiation.

We hold that all disputes like these should always be resolved through dialogue and negotiation in compliance with the mutual interests of the parties concerned.

Foreign Ministry on Bosnian Peace Talks

*SK1011053495 Pyongyang KCNA in English
0503 GMT 10 Nov 95*

["Foreign Ministry Spokesman on Situation Settlement of Disputes in Balkan Area" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — A spokesman of the Foreign Ministry of the Democratic People's Republic of Korea gave an answer to the question put by KCNA today concerning the situation in the Balkan area, which is in a phase of detente.

He told KCNA:

As reported, new activities are being made for a peaceful settlement of disputes in the Balkan area including Bosnia-Herzegovina.

The advent of peace process for a negotiated settlement of disputes in the Balkan area is a result of the peaceful stands and sincere efforts of all parties concerned including Yugoslavia.

We hold that all disputes should always be settled peacefully through dialogue and negotiation in the common interest of the parties concerned.

Peruvian Organizations Denounce Exercise

*SK1011101795 Pyongyang KCNA in English
1008 GMT 10 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — The Communist Party of Peru (Red Motherland), the People's Front of Workers, Peasants and Students of Peru, the Peru-Korea Institute of Culture and Friendship and six other political parties and organizations of Peru issued a joint statement on November 2 condemning the "Foal Eagle 95" joint military exercise of the United States and the South Korean authorities.

The statement strongly denounced the "Foal Eagle 95" joint military exercise as the resumption of the "Team Spirit" joint military exercises and perfidy to the DPRK-U.S. framework agreement and total objection to the proposal of the Democratic People's Republic of Korea for establishment of a new peace mechanism on the Korean peninsula.

It continued:

"We strongly demand the stop of all sorts of military provocations against the DPRK, withdrawal of foreign troops from South Korea, dismantlement of the 'U.N. Forces Command' and replacement of the Korean Armistice Agreement with a peace agreement.

"We also express concern about the increasing military conspiracy among the United States, Japan and South Korea against the DPRK."

Foreign Ministry Delegation Departs Pyongyang

*SK1211110595 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 9 Nov 95*

[FBIS Translated Text] On 12 November, a delegation of the Ministry of Foreign Affairs of our country, led by Vice Foreign Minister Kim Chang-yong, departed Pyongyang for Romania, Yugoslavia, Macedonia, and Bulgaria.

Kim Chong-il Sends Broadcasting Workers Tables*SK1011081595 Pyongyang KCNA in English
0449 GMT 10 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — The great leader Comrade Kim Chong-il sent 60th birthday and birthday tables to 45 participants in the national meeting of broadcasting workers.

These benevolent tables were handed on November 9 to those who greeted their 60th birthdays and birthdays during the meeting.

The table-recipients vowed to remain loyal to the cause of the party, the cause of the leader, with pens and mikes of the revolution, bearing in their mind the pride and honor of making the revolution under the guidance of the great leader.

Kim Chong-il Receives Gift From Thai Party Leader*SK1011104095 Pyongyang KCNA in English
1026 GMT 10 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — The great leader Comrade Kim Chong-il received a gift from Krasae Chanawong, deputy leader of the Phalang Tham (Righteous Force) Party of Thailand on a visit to Korea.

It was handed to Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea.

Anniversary of Kim Chong-il Work Marked*SK1211075895 Pyongyang KCNA in English
0740 GMT 12 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA) — A meeting was held here Saturday [11 November] upon the lapse of 25 years since the great leader Comrade Kim Chong-il put forward a policy of daily summing up of production and finance and five years since he published the famous work "On Improving Financial and Bank Affairs."

He, giving guidance to the Korean Film Studio 25 years ago, set examples in daily summing up of film making and financial affairs. On the basis of the experience, he put forward a policy of daily summing up of production and financial affairs, a unique mass economic management system of our style, in June 1970.

He sent the historical letter "On Improving Financial and Bank Affairs" to the participants in the National Conference of Financial and Bank Workers held in September 1990. The letter has served as the great programme of financial and bank affairs.

The meeting was attended by Vice-President Yi Chong-ok and Secretary of the Workers' Party of Korea [WPK] Central Committee [C.C.] Han Song-yong, who are members of the Political Bureau of the C.C., WPK, Chairman of the State Planning Commission Hong Sok-hyong, who is alternate member of the Political Bureau of the C.C., the WPK, and other officials.

In her report Minister of Finance Yun Ki-chong said the chuche- oriented policy advanced by Comrade Kim Chong-il makes it possible to carry on the economic management in a scientific and rational way in keeping with the intrinsic demand of socialist society based on collectivism and is the guideline which should be taken in all period of socialist economic construction.

She said his historical letter elaborated on the features characterizing finance in socialist country, principles of financial affairs, state budget, financial affairs of factories and enterprises, monetary circulation, financial summing up and control and the party's leadership to financial and bank affairs.

Ceremony Marks 50th Anniversary of Stadium*SK1011081795 Pyongyang KCNA in English
0442 GMT 10 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — A meeting was held on November 9 to mark the 50th anniversary of Kim Il-song Stadium.

It is a glorious revolutionary site in which the great leader President Kim Il-song had the first meeting with the people in the liberated country and delivered a historic speech on his triumphant return home on October 14, 1945 and an important sports and cultural centre associated with the undying leadership exploits of the party.

The Central Committee of the Workers' Party of Korea in a congratulatory message to the officials and employees of Kim Il-song Stadium on its 50th anniversary highly appreciated their great contributions to developing the nation's sports and demonstrating the might of chuche Korea by satisfactorily ensuring important national events through a successful implementation of the party's policy of managing and operating sports facilities.

The reporter at the meeting held to mark the anniversary stressed the need to carry through the honorable task to resolutely defend and exalt the imperishable leadership exploits of the party and the leader by further improving the management and operation of the stadium in keeping with the requirement of the developing realities.

**Ceremony Marks 50th Anniversary of Daily
SK101111255 Pyongyang KCNA in English
1043 GMT 10 Nov 95**

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — A meeting was held on November 9 to mark the 50th anniversary of the foundation of NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea [WPK].

It was founded on November 1, 1945, on the basis of the brilliant traditions of revolutionary mass media created by the great leader President Kim Il-song amid the flames of the anti-Japanese revolutionary struggle.

In the past 50 years, it has creditably discharged its revolutionary mission and duty as the organ of the party of Comrade Kim Il-song.

The Central Committee of the WPK in a congratulatory message to the journalists, editors and employees of NODONG SINMUN on its 50th anniversary said that it has made great contributions to the development of the ideological work of the party and to the implementation of the revolutionary cause by arming all the party members and working people firmly with the revolutionary idea of the WPK and powerfully rousing them to exalt socialism of Korean style. From the first days of its foundation, NODONG SINMUN has defended the absolute authority of the great leader Comrade Kim Il-song in every way and held him in high esteem as the centre of unity, the centre of leadership. And it has contributed to consolidating the singlehearted unity of the leader, the party and the masses as firm as a rock, frustrating the challenges and anti-socialist moves of all enemies, it said.

It highly appreciated the great contributions made by the journalists, editors and employees through edition and publication of the party organ to strengthening the singlehearted unity of the WPK and the revolutionary ranks and fully realizing the party leadership in the revolution and construction.

"We are firmly convinced that you will register greater successes in the struggle to consolidate the ideological position of Korean-style socialism like an impregnable fortress," it stressed.

A silk banner was conveyed at the meeting in the name of CHOSON SINBO which is under the General Association of Korean Residents in Japan [Chongnyon].

Kim Chol-myong, editor-in-chief of NODONG SINMUN, delivered a report at the meeting.

It was stressed at the meeting that NODONG SINMUN should make utmost efforts to powerfully accelerate the revolution and construction as intended by respected

General Kim Chong-il, more tightly grasping the revolutionary idea of the great Comrade Kim Il-song, the idea and theory of the great Comrade Kim Chong-il, as the guiding banner of the times.

In order to make a new advance in the work of the party organ, the meeting stressed, it is imperative for the journalist and editors to successfully carry forward the undying exploits performed by Comrade Kim Il-song and Comrade Kim Chong-il in the building of the party organ generation after generation.

It was attended by Yi Chong-ok, member of the Political Bureau of the Central Committee of the WPK and vice-president, other leading officials, officials concerned and the delegation of CHOSON SINBO under Chongnyon led by its editor Choe U-kyun.

Yi Chong-ok Attends Ceremony

SK1111100595 Pyongyang Korean Central Television Network in Korean 1100 GMT 9 Nov 95

[FBIS Translated Excerpt] A report meeting was held today at the People's Palace of Culture to mark the 50th anniversary of the founding of NODONG SINMUN.

Attending the report meeting were Comrades Yi Chong-ok, Kim Ki-nam, and Kim Kuk-tae; senior officials of the publication and press sector; reporters, editors, and employees of NODONG SINMUN; and other journalists in Pyongyang. A delegation from CHOSON SINBO, a newspaper of the General Association of Korean Residents in Japan, led by Choe U-kyun, also attended the report meeting. [passage omitted]

Article Praises Greatness of Kim Chong-il

SK0811053595 Pyongyang Korean Central Broadcasting Network in Korean 1020 GMT 4 Nov 95

[NODONG SINMUN 4 November article: "Eternal Torchlight of Chuche"]

[FBIS Translated Text] The majestic ranks of torchlight which were meandering with a rush! In the night of the capital city, where people were significantly celebrating the historic 50th anniversary of the party's founding, five-colored fireworks of congratulations were blasting in the skies of the city which seethed with the echo of infinite joy and excitement, and a great river of torchlights were flowing boundlessly on the clean paving stones of the Kim Il-song plaza, creating a violent wind.

It was the historic night when joy of congratulations and oath of faith burst furiously like an erupting volcano! Seeing the majestic appearance of young vanguards

marching, lifting the clubs of burning torchlight, people were filled with great excitement! It was a noble canvas which showed the spirit of Korea. We demonstrated dignifiedly to the world that noble spirit and mettle, which furiously pulsed in the site of October celebration as the spirit of torchlight and the mettle of torchlight, that only the Kim Il-song nation can demonstrate.

1. Our torchlight is the sacred torchlight of chuche

The great leader [yongdoja] Comrade Kim Chong-il has indicated: The revolutionary spirit which blazed in the forests of Paektu is a most precious asset which will shine on this land generation after generation and is the immortal banner which guarantees our nation's eternal prosperity.

People have long regarded a torchlight as the symbol of leading the masses. Along with the long history of mankind, the torchlight has been considered to be the truth, that is, the banner of struggle, which awakens and inspires people. This is why there has been the story that by burning its own heart the torchlight illuminated the road ahead for the people who wandered about without knowing the road along which they should go.

When we see in retrospect the histories of ages and countries of the world, we can see that the popular masses' struggle for independence began commonly with lifting the torchlight of struggle by forerunners. The success of this struggle was decided often depending on the progressiveness of forerunners' assertions, views, and ideology. Many of the past popular uprisings, both well-known and nameless ones, which left only a lesson of blood in history, had to suffer failure and frustration because of the restraint in the ideology, that is, the torchlight of struggle.

We could not repress the great impression to see the ranks of torchlight march held in the site of the October celebration because of our great dignity that that torchlight is the brilliant ray of the chuche idea which is the greatest ideology in the history of mankind.

The grand appearance of the Tower of the Chuche Idea, has dignifiedly risen high amid the protection of thousands and scores of thousands of torchlight! Looking at this grand appearance, we cannot repress deep excitement because of our boundless dignity of living in the fatherland of the chuche idea which brilliantly illuminates the world with its rays of chuche and which leads mankind to the peak of independence.

The rays of chuche! This is indeed the torchlight of epochal miracle which has changed our country — which had long lost its identity as a hermit country of Asia and as a subject state of big power countries — into a dignified country of independence, self-reliance,

and self-defending. This was also a torchlight of history which has basically drawn a line in the long history of mankind and has thus opened a new era of independence by elucidating a genuine road so that mankind can live as the master, free from all sorts of enslavement and constraints.

Looking at the burning torch of the Tower of the Chuche Idea, tinged the night sky of Pyongyang, a figure from a Latin American country said with an excited voice: The miracle of Prometheus whom all people praised for having given fire to mankind is nothing but a myth. But, the torch of the chuche idea is the fire of genuine ideology and ideal which lead mankind to the independent living.

Indeed, the immortal chuche idea is the basic source which guarantees the eternity of the revolutionary torch that our youths and people are lifting.

Looking at the appearance of the great leader General Kim Chong-il passing torchlights over to young men and women in the historic night of October, people recalled deep in their hearts the solemn appearance of the great leader [suryong] who lifted the first torchlight of chuche at a cottage in Chialun.

When the great leader [suryong] implanted the profound truth of chuche in the burning hearts of young communists, even majestic ceremonial functions and a sea of torchlights, as we witness, were unfolded. But, the first (?day) of the Korean revolution which lifted up the first anchor of independence has been brilliantly recorded in the history of our revolution as an unforgettable footprint of history where the first torchlight of the chuche idea blazed.

The torchlight of the revolution — that is, the torchlight of chuche — is the great torchlight that the strong main force of the revolution holds aloft. The torchlight of struggle that the main force of the revolution — in which the leader [suryong], the party, and the masses are combined as one life — lifts up is mighty and immortal.

The torchlight of struggle of the people who fail to build the main force of the revolution because they fail to uphold their great organism, even when the old castle of the revolution built by socialist construction for 70-odd years tumbled down like a water-soaked wall before the offensives of the imperialists and betrayers, our socialism was not only able to make a long drive, taking advantage of victory, without being shaken even in the slightest degree, but also sternly smashed the persistent anti-Republic maneuvers of the imperialists' allied forces to isolate and crush us.

The majestic ranks of fire advanced, holding aloft the torchlights in their hands! This was a proud thing for

Korea, which is advancing along the brilliant rays of the chuche idea, cherishing the immortal chuche idea as its faith.

Today, the torchlight of chuche is more furiously burning while tinging the skies of the times with the color red. This is because the respected and beloved General Kim Chong-il, the great ideologist and theorist of the present era, who is developing and enriching the chuche idea, is holding aloft this torchlight of chuche at the head of the ranks.

When we recall the noble scene unfolded on the rostrum of the October festival plaza, the immortal achievements of the great general — who is making the torchlight of the revolution blaze more strongly by extraordinarily developing and enriching the chuche idea with his extraordinary wisdom, scientific insight, and firm logic — come to our minds and make our hearts boil like molten rock.

Indeed, the great general is the lodestar of the chuche idea of the present era who thinks with chuche, speaks with chuche, and carries out politics with chuche. He is also a sacred incarnation of the chuche idea.

Our people firmly believe in the eternity of the torchlight of chuche with overflowing joy and faith because they are the people who witnessed the great leader [suryong] in the respected and revered appearance of the great general who held a torchlight in the October festival plaza.

The torchlight of chuche held aloft by General Kim Chong-il, the great man of the world, whom our people as well as the progressive people of the world hold in high esteem and respect, and revere so much is vigorously leading the grand ranks of march of our people and youths to the peak of victory like the advance banner of a commander who controls thousands of troop and horses.

2. Our torchlight is a proud torchlight in which the entire history of the Korean revolution engraved with victory and glory is recorded [subhead]

The torchlight is the symbol of struggle and progress — the majestic canvas of the ranks of the torchlight march which led us to recall with deep emotion the great history of the Korean revolution, which has recorded only victory while crossing all sorts of hills of difficulties and barriers of trials amid great pride and dignity! This canvas was nothing but a small thing when it left the first footprint of the revolution. But today the majestic spirit of our revolution has repeated victory only without knowing impossibility and failure like an iceboat breaking through mountain-like ice and scampering on the ocean.

In the sea of torchlight which flowed with a rush, filling up the Kim Il-song Plaza, there were the lights lit in the rough, steep, and snowy mountains of Paektu; there were the lights which lighted the operation maps in the cottage of the headquarters; and there were the torchlights of Pochonbo which ignited the flames of smashing the enemy on the Japanese imperialists.

Indeed, these torchlights looked like a cannon salute bursting in a plaza of victory. They looked like the flames of fire that the great leader [suryong] handed over to the working class of Kangson. They also looked like the brilliant light which illuminated the office of the party center [tangjungang] in which the program of modeling the whole society after the chuche idea was formulated.

The Korean revolution achieved most the brilliant reform and miracle that no other revolution has ever been able to register. The torchlight of victory was always burning before our ranks throughout the entire course of the Korean revolution, and our people and young vanguards have been advancing by highly upholding this torchlight. How can we not be boastful of our past history?

The torchlight of the Korean revolution is the torchlight of strenuous anti-imperialist struggle. Our revolution, just like our nature of refusing disorderliness, was a lofty paragon of tenaciousness, persistence, and resoluteness to refuse any compromise with such enemies of the people like imperialists.

The miracle of the century which achieved the liberation of the fatherland with sagacious and courageous guerrilla warfare and with the flames of resistance by all people after resolutely declaring a war against the Japanese imperialists who were grinding their teeth with invasion and dreaming of conquest of Asia; the heroic feats in the fatherland liberation war in which we smashed arrogance of the United States with the fierce hammer of justice, which invaded our country by acting like the incarnation of power by inscribing results of aggressive wars with the number of stars in the Stars and Stripes; the capture of the U.S. spy boat, Pueblo; the shooting down of the EC-121 spy plane; the Panmunjom incident, and the incident of shooting down of the U.S. military helicopter, were a powerful demonstration of the tenacious anti-imperialist revolutionary spirit of our people who frightened and repelled the imperialists with the flames of revolution.

There has been no time as today's era when the revolutionary torchlight reflecting the revolutionary principle and anti-imperialist position showed that it is the life of socialism.

Ugly scenes were staged in which people kneeled down to the imperialists' nuclear threat and appeasement trick, and in which people flattered, served for and followed the imperialists, and the painful situation, in which socialism was frustrated in succession, took place in the other side of the world. This very time, our revolution proved through practice the firm principle of anti-imperialist struggle, showing that if one resolutely confronts the imperialists, one is able to annihilate the enemy. How great pride is this!

Since the revolutionary torchlight contains such a pride, the spirit of our ranks is fierce and splendid. The torchlight of the Korean revolution is the torchlight of advance which creates something from nothing and turns a difficult situation into a favorable condition.

The great leader [suryongnim] enlightened our people who roamed about amid ignorance and dream in the past; gave wisdom to our people, and handed over the hammer of creation and the torchlight of innovations.

If one visits a farmers village in Pyongyang, one will hear an impressive episode about a common woman farmer, who came to see the great leader with the first grain she harvested to express her thanks to him for bestowing farm land on her, and whom the great leader made the forerunner of the national movement for eradication of illiteracy. If one visits a reservoir in Samsok, one will be moved to hear an impressive story about the great leader who designated the site of reservoir by personally upholding the torchlight in an effort to resolve the people's long-cherished desire.

More than 18,000 units, to which the great leader gave on-the-spot guidance for nearly half a century, are all filled with the revolutionary spirit of creation and innovations. This period was a spell of days when the people, who were farm servants and day laborers before the nation's liberation, became deputies to the Supreme People's Assembly, heroes, and doctors, thus encountering miracles in their lives. This period was also a spell of proud days when our people glorified with victory and feats the rehabilitation construction over two times; the two-stage revolution of society, and great socialist construction.

Thus, our people loudly shout to the entire world with pride that the torchlight of the Korean revolution reflects the sacred life of the great leader.

Because the great leader upheld the torchlight first and because the torchlight impressively reflects the achievements made by him, the ranks of torchlight advance in those days were impressive, emotional, and solemn.

Our torchlight reflects a great pride of the Korean revolution which realized great succession [widaehan kyesungul sirhyonhan]. The revolution without succession is the same as the tree without root and same as the stream without the source of water.

The respected and beloved general turned over the torchlight stick to the young vanguards in the rostrum during the night of the festival. This sacred scene was a proud picture showing to the entire world the spirit and glory of Korea which is firmly succeeding to the life of the Korean revolution pioneered in the Paektu forest.

Our torchlight is indeed the baton of the relay race of the sacred revolution. Only when the revolutionary torchlight is turned over and received generation after generation with faith and will, can it be in flames forever, without dying out.

During the entire course of our revolution for nearly 70 years, many revolutionary martyrs passed away and shifts in generation have been realized. However, invariably burning in our revolutionary ranks is the revolutionary torchlight — the torchlight of chuche — upheld by the first communists of the Down-With-Imperialism Union.

The Paektu revolutionary spirit — the spirit of continuous revolution — reflected in the revolutionary torchlight that has firmly inherited the bloodline of chuche, has revived and is taking breath as the soul of the future generation. Herein lies the secret of constant victory of our revolution and the glory of Korea.

The fire of nature eventually dies out after it encounters cold wind and rain and snow. However, the revolutionary torchlight which has continuity will never dye out but will fiercely burn forever.

The torchlight of chuche will forever burn fiercely, symbolizing the glorious past, proud today, and more brilliant future of the Korean revolution. 3. Our torchlight is a proud torchlight demonstrating the spirit of ever-victorious Korea.

Seeing the scenes of the splendid torchlight march, all the people unanimously emotionally described it as the spirit of Korea, because they witnessed the mysterious might seen in the response of hundreds of thousands of our ranks who formed a sea of fire around the torchlight raised by our general and because they saw a firm vigorous will to occupy any stronghold at a breath with single-hearted unity between the leader [yongdoja] and revolutionary fighters.

If our general raises the torchlight, we will all become the flame. By shouting the voice of faith, our young vanguards and people are loyally upholding the leadership

of the great general. The tenacious faith and firm will to recover land from sea and to destroy even the mountain, if so desired by the respected and beloved general, have all been accumulated and formed a sea of flames. They are brilliantly shining in Korea. This spirit of Korea was reflected in the ranks of the majestic torchlight demonstration.

The historic scenes of torchlight ranks, that advanced like a forest of rifles, were indeed a proud demonstration of Korea's might. With this march of flames, we will be able to occupy the peak of complete victory for socialism and achieve the sacred cause of national reunification, the greatest desire of the nation.

Korea's torchlight ranks are invincible ranks in which the leader's [yongdoja] trust and the loyalty of revolutionary fighters are united as one. The leader's trust inspires the loyal people and the people with surging loyalty then demonstrate indomitable might.

Trust by the respected and beloved general is the boundless trust of one who trusts the people like heaven and who regards the people as the most important beings. This trust is the great trust of the general who dashes to the fighter who fell behind, and brings him back to the ranks by embracing him with the sacred red flag.

Prompted by this great trust, our people's steps became more vigorous, the slogans we shout became louder, and our heartbeats became more passionate.

It is our people's firm faith that teachings given by the respected and beloved general are the most outstanding teachings of all, and only if we act as he orders will everything be solved. Upholding the slogan, "If the leader [yongdoja] decides, we will do!" our reliable People's Army soldiers completed the construction of Chongnyu Bridge and the Kumnung No. 2 Tunnel ahead of schedule by rising like a mountain, and registered feats in construction of the Pyongyang-Hyangsan sightseeing road. From their magnificent acts, we can witness the might of great single-hearted unity. We also keenly realize the vigorous spirit of the torchlight march ranks who advanced by colorfully decorating the plaza of the October festival.

You, the people, recall the thunderous shouting of hurrah that vigorously resounded from the ceremonial sites for the opening of the Chongnyu Bridge and the Kumnung No. 2 Tunnel held some time ago!

Looking up at Comrade Kim Chong-il, the respected and beloved supreme commander, who came to the site of the inauguration ceremony with a bright and passionate expression, were not our people indeed overflowing with great joy?

Our general cut the red ribbon hung in front of the bridge and made a great smile, like the sun, by highly raising his hands, and soldiers of the People's Army and masses gave thunderous cheers, looking up at him. Indeed, is this moment not a noble time showing the shape of our fatherland where the leader and people achieved firm unity and complete wholeness?

Korea's torchlight ranks are loyal ranks who defend and protect the great leader [yongdoja] by becoming bombs and guns. Standing at the van of our revolutionary ranks, in which tens of millions of masses are advancing by upholding the torchlight of struggle and the red flag and by keeping step with the sound of a revolutionary drum, is the great General Kim Chong-il.

Occupying the bosoms of our people — who have fought, firmly uniting as one, with the respected and beloved general as the great centripetal point of single-hearted unity — is the single faith that the general is precisely the life of our Korea, the future of our revolution, and the strong pole to which our minds gravitate. The ranks of the youth and students' demonstration which marched, holding aloft torchlight clubs and shouting the slogan, "Guns and Bombs," were the majestic symbol of the firm faith of Korea to brilliantly pioneer the future of the revolution by resolutely defending the great general.

The excited remarks that a foreign figure uttered after watching the grand, long flow of torchlights still ring in our ears even now. He said: "All Koreans have a similarity to that torchlight. Whenever you do something you are always passionate and hot like a fire. This is your unique disposition. If you held rifles in your hands in today's splendid march instead of holding torchlights, Korea could demonstrate its great strength now. The spirit of Korea is the struggle spirit that all of us should follow."

Upon our friends, the ranks of our torchlight march bestow firm faith to carry out socialist construction and revolution in Korea, while it causes our enemies to shudder in fear that flames will fall on their heads in a flash!

We will break through the formidable and long road of the revolution following the great general while forming a sea of fire by holding aloft the torchlight of the revolution. Flying in the forefront of the marching ranks of torchlights is the red flag. The sacred red flag which is leading the people to the final victory of the revolution by making each torchlight join a gigantic sea of fire!

Have the red flash and heat of the torchlights reddened the red flag? Has the red color of the red flag changed into torchlights?

The ranks of the torchlights which are advancing, holding aloft the red flag in their forefront, are the proud appearance of the revolutionary fighters who are defending the leader [yongdoja] of the revolution. This is why our people live, holding in their arms day and night the red flag in which the rays of the torchlights are reflected in their minds.

It is our people who live and struggle with a burning revolutionary spirit, with energy like flames of fire, and with a strong mettle like a flash.

The noble torchlight spirit dwells in the red flag that we are holding aloft — the sacred red flag in which the revolutionary truth that the torchlight is precisely the revolution, struggle, advance, and victory is engraved!

Anti-Japanese revolutionary fighters and heroic fighters in the fatherland liberation war taught the future generations this truth through their heroic self-sacrifice. At the same time, the youths and people of our times are embodying this truth by carrying out exploits.

It is a lofty outlook on life and on struggle of the youths and people of our times to rush to the enemies' positions, holding torchlights, and to bring their eternal life into full bloom in the bosom of the red flag. There is no force in this world that can block the grand river of fire which has such an outlook on life and on struggle. This is why with dignity we call our times led by the respected and beloved General Kim Chong-il the great era of torchlight which surmounts all sorts of difficulties with the strength of a torchlight and which achieves the final victory of the revolution with a great river of torchlights.

The torchlight that we are holding aloft is the sacred torchlight which places its source of heat in the sun.

The torchlight which the great leader [suryong], the sun of our people, has handed over to us and the torchlight which the respected and beloved General Kim Chong-il has bestowed upon us in the site of the October celebrations is the sacred torchlight of the sun.

The sun is eternal. Likewise, the torchlight of the revolution which is burning on the strength of the rays and heat of the sun is eternal and invincible.

That's right. The great torchlight of chuche will burn eternally because the great leader [yongdoja] Comrade Kim Chong-il is with us. Thus, the new day of the final victory of socialism will dawn on this land, and the sacred cause of national reunification will be achieved without fail.

The grand sea of torchlight of our revolution will break through its raging waves toward the 21st century, will heat up the hearts of hundreds of million of the people

around the world, and will bring about a new world of independence.

On the day of joy when our revolution's final victory is achieved our people will shout and shout again the cheers of the great torchlight of chuche at the tops of their voices.

Daily Introduces New Finance Law

SK0911133495 *Pyongyang MINJU CHOSON*
in Korean 15 Oct 95 p 2

[First installment of an unattributed article explaining the DPRK Finance Law: "On the DPRK Finance Law"]

[FBIS Translated Text] Recently, the Standing Committee of the Supreme People's Assembly adopted the "DPRK Finance Law."

The Finance Law provides guidelines on and control over the fundamentals of the Finance Law; the state budget; the finances of agencies, enterprises, and organizations; financial reviews; and financial work. The Finance Law comprises 55 articles in five chapters.

The adoption of the Finance Law is significant to legally solidifying the brilliant achievements of the financial work registered under our party's wise leadership, as well as to enhancing the function and role of socialist finance and to accelerating socialist economic construction in conformity with the demands of the developing reality.

The great leader [widaehan yongdoja] Comrade Kim Chong-il indicated:

Because the struggle to implement the finance policy of the party has been vigorously waged under the party's wise leadership, those masses engaged in production have been able to actively participate in economic management and in the country's economic activities as its masters, and the function and role of finance has been further enhanced in socialist construction.

Thanks to our party's correct financial policy, our finance has a solid foundation that satisfactorily guarantees own enormous funds for economic construction, for national defense construction, and for the people's living.

Today, vigorously accelerating socialist economic construction by enhancing the function and role of finance is an important demand for further strengthening the might of the popular masses-centered socialism of our style, and for displaying the superiority of our socialism.

Chapter One of the Finance Law, The Fundamentals of The Finance Law, defines the basic demands and principles for enhancing the function and role of finance and for implementing the government's financial policies.

Socialist finance is an economic relationship that was established by the state while providing necessary funds for socialist construction and the country's economic activities, being based on a well-planned schedule in conformity with the demands of the popular masses, and while distributing and utilizing these funds in uniformity.

By enhancing the function and role of finance, the Finance Law contributes to providing necessary funds for the country's economic activities according to a well-planned schedule, as well as to distributing and utilizing these funds in uniformity.

In a socialist society, the distribution and control of finance distributes the majority of the gross domestic product [GDP] and gross national product [GNP] to all sectors of the people's economy, and guarantees the necessary funds for economic development and the country's economic activities, thus achieving governmental control over management activities in socialist agencies and enterprises.

The distribution function of socialist finance means the function to distribute and redistribute GDP and GNP to all sectors of the people's economy. The control function means the function to control the management activities of enterprises while distributing and utilizing GDP and GNP.

These functions of finance must be enhanced in order to provide, distribute, and utilize necessary funds for the country's economic activities in conformity with the inherent characteristics of socialist finance.

In our country, all funds are spent on socialist construction and the people's living.

In order for socialist finance to become a finance for the working popular masses, the work to distribute and utilize funds should always place priority on the demands and interests of the working popular masses. To this end, when we distribute GNP, we must accurately guarantee the balance between savings and expenditures, must guarantee a high rate of socialist economic development, and must precisely distribute GNP according to labor.

The state must distribute funds in a manner that guarantees the balance between savings and expenditures as well as a high rate of socialist economic development, and must make accurate distributions according to labor.

In implementing the country's financial policy, it is important to make and implement an accurate state budget.

The state budget is a basic financial plan that defines the country's overall economic activities.

The country's economic activities largely depend on the plan and implementation of the state budget. Therefore, the country has to plan and implement a practical and dynamic state budget by adopting a masses-oriented line and scientific principle.

Our country's finance is based on the firm foundation of socialist ownership and a self-reliant national economy.

Socialist finance can satisfactorily implement its function and role when the work of finance management is conducted in conformity with the demands of a socialist economic system.

Thoroughly implementing the party's lines and policies is the most important principle in socialist finance management.

Managing finance in uniformity and according to plan is another important principle in socialist finance management. The uniformity in management principle of finance means to control all state funds in uniformity and to collect, distribute, and utilize those funds according to state laws and regulations, and according to a unitary state plan and standards. Managing finance according to the plan means establishing a strong rule to draw state budgets and all financial plans in accordance with the people's economic plan, and to implement the plan without fail.

A socialist country should thoroughly abide by these principles in finance management so the country's finance is truly people-oriented and scientific.

Thrifty spending and saving state funds is an expression of lofty patriotism and an important demand of socialist finance management.

Vigorously waging the struggle to increase production and save energy and material, and increasing production and construction using less funds, are basic ways to increase the financial income of a socialist country. State agencies and all sectors and units should maximize the mobilization of inner reserves, effectively utilize the already-provided economic basis, and ceaselessly increase the country's financial income.

Strengthening financial review and control is important to improving finance management and overall socialist economic management.

Account and control are important functions of money. Money's function as a means of account and control is

also important to the management of a socialist economy. Finance that reflects the money flow is itself a control function. When we make a correct financial review and strengthen financial control, then the function and role of socialist finance can be enhanced so as to thriftily and methodically carry out the country's economic activities and improve the country's economic management.

The state has to make its financial review in accordance with the review of the implementation of the people's economic plan, and must guarantee the right timing as well as a scientific and objective view. The state also has to properly establish the guidance system for financial work so that people strictly follow the rules in financial management.

In addition, the fundamentals of the Finance Law provide regulations on developing exchanges and cooperation with foreign countries and international organizations in the field of finance.

Daily Elaborates on New Finance Law

SK0911144895 *Pyongyang MINJU CHOSON*
in Korean 18 Oct 95 p 2

[Second installment of unattributed article explaining the DPRK Finance Law: "On the DPRK Finance Law"]

[FBIS Translated Text] Chapter Two of the Finance Law, the State Budget, stipulates the essence of our country's socialist state budget and the practical procedures and methods arising in the compilation and implementation of the state budget.

The great leader [yongdoja] Comrade Kim Chong-il has indicated: "Our country's state budget is a people-oriented budget that financially guarantees the independent and creative life of the working masses, and is an independent and solid budget based on the socialist self-reliant people's economy."

The state budget is a basic financial plan that prescribes the country's overall economy.

For the socialist state to operate and manage its overall economic activities in accordance with its functions, it is imperative to compile its own budget. The reason why the socialist state has its own budget is because the budget is an inevitable demand for managing the country's overall economy, including developing the people's economy, enforcing social and cultural policies, maintaining state management organs, and carrying out the building of the national defense.

The reason the socialist state budget is a basic financial plan prescribing the overall economic activities of the

country is because the budget is, first, a plan prescribing the overall economic activities of the country.

The country's economic activities are an expression of the implementation of the socialist state's functions in the field of economics, and are a unique concept of socialist society.

In a socialist society, the state's sovereignty and the means of production are under the working masses; all people are firmly united as one around the party and leader [suryong]. Therefore, a socialist society has the political, class, and economic foundation under which the country's economic activities can be carried out.

The reason the socialist state budget is a basic financial plan prescribing the overall economic activities of the country is because it is the basic financial plan of the state. The economic activities that mobilize and utilize money capital for the country's economy include those economic activities in which the state directly mobilizes and utilizes money capital in a centralized manner, and those economic activities in which enterprises and other sectors of the people's economy mobilize and utilize money capital.

The plan for economic activities, in which the socialist state directly mobilizes and utilizes money capital for the country's economy in a centralized manner, is precisely the state budget, and this plan becomes the state's basic financial plan.

The state budget should be compiled in a manner consistent with the people's economic plan. The people's economic plan is the basis of the compilation of the state budget, and the state budget financially reflects the people's economic plan.

In all its articles, the state budget should be compiled in a detailed manner consistent with the people's economic plan. In compiling the state budget, revenue sources and capital demands should be scientifically calculated, and reserves for production increases and conservation should be mobilized to the maximum so the capital needed to implement the people's economic plan can be smoothly guaranteed.

The state budget is deliberated at the Supreme People's Assembly and approved by decree. The state budget is the economic activity that mobilizes the money earned by the people, using it for the people. Thus, correctly implementing the state budget is responsible and important work in operating and managing the country's overall economy. Therefore, the state budget should be implemented according to law.

The state budget's revenue is money capital that comes into the hands of the state.

In a socialist society, the state budget's revenue comes from various sources, such as the money earned from sales proceeds, the profits of state enterprises, the profits of cooperative organizations, and the income from service activities; among these sources, the main source is the money earned from sales proceeds and the profits of state enterprises.

What is important in increasing the state budget's revenue is to increase the state budget's revenue on the basis of promoting the people's standard of living in conformity with the people-oriented character of our country's state budget. Organs, enterprises, and organizations should increase the state budget's revenues in such a manner as to make their production and management activities scientific, to promote labor productivity, and to create more net domestic product by lowering the prime costs.

The state budget's capital is spent on expenditures to develop the people's economy, on expenditures for social and cultural policies, on expenditures for national defense, on expenditures for managing the state, and on expenditures as reserve funds.

The state budget's expenditures for the people's economic development should be carried out under the principle of giving priority to expenditures for key industries while simultaneously concentrating efforts on expenditures for light industry and agriculture. The state budget's expenditures for social and cultural policies should be carried out so the people can be provided with more social and cultural benefits from the state.

Expenditures for social and cultural policies include expenditures in the fields of science, education, culture, public health, sports, social insurance, and social security.

The socialist state appropriates national defense expenses in order to firmly defend the country and its revolutionary gains. It appropriates state management expenses by item and by purpose. It also appropriates reserve funds to ensure the funds required for additionally readjusting the people's economic plan and for implementing additional policies to promote the people's living.

Finance organs should correctly appropriate the state's budget funds according to their appropriation plans, and should see to it the funds are effectively executed.

The state budget is divided into a central and local budget. The central budget is implemented by the State Council and other central organs concerned, while the local budget is implemented by local administrative and economic organs.

The central budget takes the net domestic product created by central economic organs as its basic income source, while the local budget takes the net domestic product created by local economic organs, incomes earned through service activities, as its basic income source.

Our country has adopted the local budget system, which is enforced under the guidance of the state and with the county as a unit, based on the sense of responsibility and the creativity of localities.

Local administrative and economic organs should compile the revenue and expenditures of their local budgets with their own efforts by properly planning and coordinating their local economic activities in order to give more profits to the state. The state gives special financial favors to those units that are exemplary in implementing their local budgets.

Socialism Promises Society 'Highest Development'

SK1011103695 *Pyongyang KCNA in English*
1018 GMT 10 Nov 95

["Socialism With Capacity for Highest Development"
— KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA) — One of the great advantages of socialism is that it is a promising society with the capacity for highest development, stresses NODONG SINMUN in a signed article today.

Pointing out that the great leader Comrade Kim Chong-il established a socio-historical outlook centred on the people and gave the perfect scientific exposition of the development capacity of socialist society, the author of the article says:

Socialism is an advanced society which makes it possible to steadily increase independence, creativity and consciousness of man and give fullest scope to them. Herein lies a main reason why socialism is a promising society with the capacity for highest development.

Socialism has the capacity for highest development, above all, because it is built and managed by the popular masses armed with the socialist ideology.

The socialist ideology enables the popular masses to have a high sense of responsibility and the consciousness that they are the undertakers of the revolution and construction. It also makes them bear it in mind that socialist development is inseparately [as received] linked with their destinies.

In this way, it enables the entire people to put all their talents and energies into consolidating and developing socialism.

So, socialist society ensures a steady and rapid development in all domains of social life. And the role of the popular masses armed with the socialist ideology is further enhanced with the progress of the modelling of the whole society on one idea.

Socialism has the capacity for highest development, next, because it is a society which develops in reliance upon the strength of the unity of all the people.

Socialist society is based on the most solid unity and cohesion of the entire people.

There is no limit in the strength of the singlehearted unity of all the people around the party and the leader in ideology and will, morality and obligation. Socialism is a promising society with inexhaustible vitality, precisely, because the singlehearted unity of the leader, the party and the masses constitutes the main motive force of socialism.

The fact that socialism is an advanced society with the capacity for highest development is eloquently proved by the historical course of the development of Korean-style socialism.

Daily Views WPK's Sports Policy

*SK1211074595 Pyongyang KCNA in English
0735 GMT 12 Nov 95*

["NODONG SINMUN on WPK's Sports Policy" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA) — It is the noble mission and duty of our physical culture and sports assumed before the times and history to make a big contribution to improving the physical fitness of people, popularize physical culture and sports and make them part and parcel of the people's life and thus demonstrate to the whole world the dignity and honour of the Kim Il-song nation, our motherland which is shining with the august name of the great leader Comrade Kim Il-song.

Chairman of the State Physical Culture and Sports Commission Pak Myong-chol said this in an article contributed to NODONG SINMUN today.

He said:

The basic key to discharging the mission and role of the sports as a powerful means of actively contributing to the accomplishment of the revolutionary cause of *chuche* is to thoroughly implement the sports policy of the WPK.

The party's policy on physical culture and sports is the most popular and vital one, a brilliant embodiment of the tireless efforts and exploits made by Comrade Kim Il-

song for the development of physical culture and sports all his life.

Comrade Kim Il-song built the North Korean Physical Culture and Sports League on November 1, 1945.

Since then the physical culture and sports of our country have taken the proud road of development under the wise leadership and loving care of Comrade Kim Il-song and our party.

The great leader Comrade Kim Chong-il, penetrating deep into the requirement of sports development on a new high stage, has further developed the *chuche*-based idea of Comrade Kim Il-song on physical culture and sports and put forward unique idea and theory on them so that they may actively serve for realising the independence of the popular masses.

The idea and theory of Comrade Kim Chong-il on physical culture and sports is an encyclopedic one giving comprehensive answers to the principle of socialist sports and the essence and contents of building physical culture and sports under socialism and communism, all the orientations and tasks for developing them and all other theoretical and practical problems arising in the sports.

The sports policy of the WPK is a very important guideline for developing the physical culture and sports in Korea because it fully contains the idea of the great leader Comrade Kim Il-song and the respected General Kim Chong-il on developing the *chuche*-based sports.

It is most important for the development of sports at present that all the officials and sportsmen unconditionally carry out the policy advanced by Comrade Kim Chong-il.

We will firmly prepare the sportsmen as true sportsmen who share life and death with him and remain loyal to his leadership with great successes in physical culture and sports.

Meeting Marks Anniversary of Publishing House

*SK1111064495 Pyongyang KCNA in English
0417 GMT 11 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA) — A meeting to mark the 50th anniversary of the foundation of the Kum Song Youth Publishing House was held on November 10.

The publishing house was founded in November 9, 1945 on the basis of the precious tradition of the *chuche*-based publications established by the great leader President Kim Il-song in the period of the anti-Japanese revolutionary struggle.

The Central Committee of the Workers' Party of Korea [WPK] in its congratulatory message sent to the journalists and editors of the Kum Song Youth Publishing House on the 50th anniversary of the foundation said that since its foundation the publishing house has successfully discharged its duty as a comprehensive propaganda base for educating and training young people and children as youth and children's vanguards boundlessly loyal to the party and the leader under the wise leadership of the WPK.

The message noted that in the past 50 years the journalists and editors of the publishing house have creditably carried out their revolutionary duty with warm loyalty to the party and the leader and made a big contribution to building up the ranks of youth and students as a militant ranks of loyal subjects and filial sons and daughters defending the great leader President Kim Il-song and the great leader Comrade Kim Chong-il at the risk of their lives.

Kim Tae-chong, director and editor-in-chief of the Kum Song Youth Publishing House, made a report at the meeting.

It was stressed there that the journalists and editors should make good publications for deeply explaining and propagandizing the immortal revolutionary exploits and great traits of the respected leader President Kim Il-song and firmly preparing all the young people and children as the rifles and bombs absolutely worshipping and following the respected General Kim Chong-il and defending him at the risk of their lives.

LSWYK Young Vanguards Meet

*SK1211073295 Pyongyang KCNA in English
0718 GMT 12 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA) — Meetings of young vanguards were held by provincial, city, county and all other organisations of the League of Socialist Working Youth [LSWYK] of Korea to repay with loyalty the trust with which the respected General Kim Chong-il personally handed the torchlight of revolution to young vanguards prior to the torchlight procession of youth and students in Pyongyang celebrating the 50th anniversary of the Workers' Party of Korea and to greet the 50th anniversary of the LSWYK with high political enthusiasm and brilliant achievements.

An appeal of the Central Committee of the LSWYK to the leaguers and young people throughout the country on the occasion of the 50th anniversary of the LSWYK was read out at the meetings.

The meetings laid stress on carrying on political and ideological education more effectively to prepare the

league members and young people to be genuine loyalists and filial sons and daughters who absolutely believe and follow respected General Kim Chong-il on the occasion of the 50th anniversary of the LSWYK.

Resolutions were adopted at the meetings.

Over 130 Islets Linked to Land in 50 Years

*SK1311112895 Pyongyang KCNA in English
0912 GMT 13 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — A grand work to harness nature is being pushed ahead in Korea to change the shape of the territory.

According to data available, more than 130 islets on the West Sea were linked with the land in the past 50 years since the liberation of the country (August 1945). As a result, the length of the coastal line has become more than a thousand kilometres shorter and nearly 100 ports moved to new places. With islets linked with the land and projects for reclaiming tideland pushed ahead, the state-run November 10 youth farm, the state-run Changdo tideland farm and ten other state farms and dozens of cooperative farms took shape.

Extensive reel fields [as received] were created and modern dwelling houses built in rows in the ex-coastal area in the Tasa Islet area in North Pyongan Province, the northwestern tip of the country. Islets linked with the land have turned into hillsides and recreation grounds on the scenic and beautiful seashores. Large fish farms and salterns were built.

Rivers and lakes are changing their currents. Large irrigation projects have been conducted, with the result that new reservoirs for irrigation and large river branches linking lakes made their appearance. In the course of this, Yonpung, Taesong, Manpung and many other man-made lakes took shape and new waterways of tens of thousands of ri were laid.

In recent years the 2,000 ri waterway was laid to smoothly water the granary areas on the west coast on the basis of the achievements made in the building of the West Sea barrage, a grand monumental edifice of the Workers' Party era, thus, linking the River Taedong with the River Yesong, the River Amnok with the River Taeryong into a large loop irrigation network.

New large chemical fibre material bases, salterns, reservoirs and fish farms are great assets for the nation's economic development and the improvement of the people's living standards.

All these achievements have been made by the heroic feats of the Korean people under the far-reaching

programme of transforming nature of the great leader President Kim Il-song and the Workers' Party of Korea.

South Korea

U.S. Urged To Probe Records of No's Daughter

SK1111115395 Seoul YONHAP in English
1129 GMT 11 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP) — The prosecution, looking into whether part of former President No Tae-u's political slush fund is stashed away in a Swiss bank, has formally asked, through the Foreign Ministry, the U.S. Government to hand over the investigation records of No's daughter, So-yong, and her husband who were tried in California in 1993 for having brought about 200,000 dollars illegally into the United States.

The prosecution is also considering calling in No's daughter and her husband for questioning whether they had withdrawn the 200,000 dollars from a Swiss bank, Senior Prosecutor An Kang-min said.

In January 1990, just a month after they met former President No, the couple deposited the money at 11 banks in California, and U.S. authorities confiscated the money as it was found to have been illegally brought into the United States. U.S. law enforcement authorities at the time found a Swiss bank's seal on the money's wrapping paper.

The prosecution has also asked for the Swiss Government's cooperation in the investigation of the Swiss bank accounts the former president allegedly holds.

Meanwhile, the prosecution will look into the property of No Chae-hon, 32, son of the former president, including his reported 2-billion-won account at a securities company and his luxury home in view of his having no definite income source.

GAO Report Cited as Evidence of Wrongdoing

SK1311122795 Seoul YONHAP in English
1053 GMT 13 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP) — Former President No Tae-u is suspected of having received about 338 billion won in rebates related to various Yulgok arms procurement programs, an opposition lawmaker claimed Monday.

Rep. Kang Chang-song of the Democratic Party made the allegation in a letter of opinion he released upon his review of Yulgok-related materials provided by the General Accounting Office (GAO) of the United States.

"It is estimated that No took rebates totaling 338.3 billion won, 5 percent of the total 6,769.7 billion won

used in four major Yulgok projects — next-generation fighter, submarine, UH-60 and P-3C plane projects," Kang said.

He said a review of GAO materials revealed the existence of a backstage agreement which provided for the handing of 23.8 billion won in a rebate, 5 percent of 595-million-dollar commercial purchase in the 1-billion-dollar P-3C project.

The official rebate in the P-3C project as disclosed in the GAO materials was 4 million dollars, Kang said.

"This indicates it is possible to provide an unofficial rebate of up to 5 percent in international arms dealings," he said.

Judging from this, it can be easily assumed that No took 200 billion won in the 4,000-billion-won next-generation fighter project, 45 billion won in the submarine project totaling 903.7 billion won, 69.5 billion won in the 1,390-billion-won UH-60 project and 23.8 billion won in the 476-billion-won P-3C project, Rep. Kang said.

Police Hand Over U.S. Soldier to MP's

SK1011062695 Seoul CHUNGANG ILBO in Korean
10 Nov 95 p 21

[Report by YONHAP from Pusan]

[FBIS Translated Text] O Yon-su (32) reported to the Haeundae Police Station that 520,000 won in her handbag was missing. She claimed that the money was lost during the time she briefly left her seat while having a drink with four U.S. soldiers at a pub in Hyatt Hotel in Pusan around 11:00 pm (1400 GMT) on 8 November.

The police found an amulet belonging to Miss O in the pocket of Elmison [name as transliterated], private first class of the Second U.S. Marine Division, who has a drink with Miss O, and handed him over to the U.S. Marine Military Police [MP] at the Chinhae base.

Two U.S. Soldiers Arrested for Offenses

SK1311093095 Seoul HANGYORE SINMUN
in Korean 13 Nov 95 p 23

[Report by Kim Ki-song from Uijongbu]

[FBIS Translated Text] Corporal Vincent Robert (33) from the U.S. Air Force in the ROK, who was driving military vehicle 106-7199 on the road in front of the Songtan obstetrics and gynecology hospital in Chisan-tong, Pyongtaek, Kyonggi Province, picked a quarrel with Hong Kyong-hyong (33, Sojong-tong, Pyongtaek), fighting with Mr. Hong over the same space of road, and

drove 200-odd meters with Mr. Hong hanging from his vehicle. Corporal Robert was finally arrested by police.

Corporal Robert was suspected of having obstructed the advance of the "Kyonggi 2-ha 1718" taxi driven by Mr. Hong, and of having driven with Mr. Hong hanging from his vehicle. Corporal Robert said that Mr. Hong protested and then damaged his vehicle.

The police, taking steps to file a lawsuit against both Mr. Hong and Corporal Robert, on the charge of violating the law on violence, are now questioning both of them.

Meanwhile, the Uijongbu Police Station arrested Sergeant Luis Dewein [name as transliterated] on the charge of stealing a hat from the handcart of a street peddler on 11 November, and turned Sergeant Dewein over to U.S. investigative authorities.

Correction on Kim Chong-il Reportedly Using Fund
SK1311120595 Seoul CHUNGANG ILBO in Korean
13 Nov 95 p 17

[Corrected version of article by reporter Choe Won-ki titled: "Kim Chong-il Also Has a Large Secret Fund" filed as SK1311090395; explanatory note describes difference from initial FBIS version]

[FBIS Translated Text] North Korea's Kim Chong-il and Mr. No Tae-u have one thing in common. Both are very likely to be one of a small number of Korean customers treasured by Swiss banks. The exact amount of Kim Chong-il's secret fund has not been disclosed. However, it has been vaguely estimated to be worth billions of dollars. [changing "tens of billions of dollars" to "billions of dollars" per monitor recheck] Mr. Kang Myong-to, former son-in-law of North Korean Premier Kang Song-san who defected to the South last May, claimed in a book he wrote that "Kim Chong-il has deposited over \$2 billion in a Swiss bank in preparation for the possibility of life in exile in a foreign country in the future."

The key organization that supplies secret funds to Kim Chong-il is the No. 39 Office of the North Korean Workers Party [WPK]. This organization, which was established in 1974, is a gigantic monopolistic business conglomerate in North Korea. This organization monopolizes all the North Korean gold mines, silver mines, zinc mines, and smelteries. Fishery products and mushrooms can be exported only through the No. 39 Office. If other firms and organizations try to market these goods, they are immediately branded as reactionaries, because Kim Chong-il set this policy as a state policy. All the profits from the sale of the few North Korean exports, such as gold bullion and mushrooms, go into Kim Chong-il's pocket.

Another source of Kim Chong-il's secret fund is the "foreign currency of loyalty," which is dollars and yen that North Korea's various foreign currency-earning enterprises and diplomats offer him in token of their loyalty to him.

The secret fund thus provided is used mainly for incentives to reinforce his ruling foundation. Kim Chong-il presents foreign-made Omega and Rolex watches — called "calling-card watches," which he buys with his secret fund — to party cadres, and makes a point of sending birthday tables to elder cadres. Colonel Choe Chu-hwal, who defected to the South, recently said: "Kim Chong-il builds luxurious villas for the senior general-grade officers of the Army and gives them Mercedes Benz automobiles as gifts." Observers think that Yim Sang-chun, first deputy director of the WPK's No. 39 Office, and Yi Chol, North Korean ambassador to Switzerland, must be those responsible for managing Kim Chong-il's secret fund. Yim Sang-chun, who is from the central party's Finance and Accounting Department and is well-versed in external economic affairs, controls the Taesong Trading Company under the No. 39 Office and is reported to be in thorough grasp of the status of the secret fund stacked away in Switzerland, Hong Kong, Macao, and Singapore.

Daily Analyzes 'Progress' of Reactor Talks

SK1311035595 Seoul CHOSON ILBO in Korean
13 Nov 95 p 2

[Report by Kim Yon-kwang: "How Are the New York Light-Water Reactor Negotiations Proceeding?"]

[FBIS Translated Text] The light-water reactor negotiations between the Korean Peninsula Energy Development Organization [KEDO] and North Korea that began in New York on 30 September are making rapid progress. A high-ranking government official stated on 12 November that "there is still a possibility that one last unsolved problem may overturn the entire agreement. However, major obstacles have now been removed," thus strongly suggesting that "a final settlement may be near."

The current negotiations were aimed at concluding the agreement on the provision of two 2,000 megawatt-class light-water reactors to be built in North Korea. In the 21 October 1991 Geneva agreement, the United States and North Korea agreed that two 1,000 megawatt-class atomic power stations would be provided under U.S. supervision, and set 21 April as the deadline for the conclusion of the provision agreement.

After the Geneva agreement, North Korea refused the "ROK-model light-water reactors," thus the deadline

was missed. However, during the Kuala Lumpur talks in June, North Korea accepted "the ROK-type light-water reactors" and the designation of the "the main contractor (Korea Electric Power Corporation)."

During the talks, North Korea strongly demanded the support of supplementary facilities of light-water reactors that would cost \$1 billion.

This being the case, KEDO's agony at the negotiations was to determine to what extent KEDO should block North Korea's demand for the construction of a power transmission and distribution network, of a nuclear fuel processing plant, of a simulated reactor, and of a port and roads.

A breakthrough was made when North Korea withdrew its demand for the construction of power a transmission and distribution network, which requires an enormous amount of investment; and a nuclear fuel processing plant. KEDO accepted other demands in a forward-looking manner.

During the Kuala Lumpur talks in September, KEDO maintained its position that "aside from the site construction that would begin before the engineering works, the support of a simulator which costs \$50 million could not be considered." However, during the New York negotiations, KEDO retreated to the line of accepting the construction of a port and roads as deemed definitely necessary for the construction of light-water reactors.

A relevant official in the Office for Planning the Light-Water Reactor Project stated that "it is an internationally recognized practice for the supplier of the reactor to provide training for nuclear reactor operators and maintenance engineers. If North Korea is opposed to technical training conducted in the ROK and the United States, a plan to offer a simulator reactor should be studied."

North Korea alleged that it would build with its own strength the power transmission and distribution network, as well as a nuclear fuel processing plant, by seeking loans from the World Bank and Asia Development Bank. Thus, North Korea is demanding KEDO guarantee the reimbursement.

As regards the conditions for reimbursement of the expenses, North Korea withdrew its previous demand that "these expenses should be offset by the funds invested in the development of graphite-moderated reactors up to the present." North Korea has put forward a plan of "a 30-year installment reimbursement without interest with a 10-year grace-period" while KEDO proposed "a 15-year installment reimbursement without interest after the completion of the light-water reactors."

Since North Korea withdrew its demand for the "construction free of charge," the issue on reimbursement of the expenses, together with the issue of supplementary facilities of light-water reactors, will be turned over to the working-level negotiations' table.

Ho Chong, senior delegate to the negotiation and ambassador-at-large of the DPRK Foreign Ministry, stated, "I will not leave New York until I sign the agreement on the provision," thus showing a positive attitude. Meanwhile, it was learned that the U.S. side is encouraging the ROK Government to reach a "rapid settlement." However, our government clarified its position that it would sign the provision agreement only after the issue of personal safety of our technicians going to North Korea, the issue of securing communication means, and other details are completely settled.

The government confirmed this policy during the joint conference of reunification and security-related ministers held on 8 November.

North 'May Adopt' Collective Leadership

SK1311053695 Seoul YONHAP in English
0602 GMT 12 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 12 (YONHAP) — North Korea may adopt a collective leadership of de facto leader Kim Chong-il and the military, a South Korean defense publication has observed.

The Defense Ministry's troop information and education office said in a feature article printed in the Nov. 9 issue of the defense daily, "Several unusual phenomena seen in the events commemorating the 50th anniversary of the founding of the North's ruling Workers' Party on Oct. 10 indicate an increasing possibility that Pyongyang may adopt a collective leadership of Kim Chong-il and the military."

In making the observation, the publication noted that unlike the past when a commemorative reporting rally was held, a formal military parade took place this year, and that newly-appointed People's Armed Forces Minister Choe Kwang delivered the main address, which used to be given by a party representative.

"The fact that emphasis was laid on the military in place of the party gives rise to a speculation that military influence is being reinforced in Pyongyang's power structure," the daily opined.

The article also noted that the proportion of military figures among heads and deputy heads responsible for various events of the day increased to about 30 percent this year from less than 10 percent in the past, and that the order in the North's power hierarchy of vice

marshals including Public Security Minister Paek Hak-rim was elevated to around 20th from around 100th in the past.

Out of 23 public functions undertaken by Kim Chong-il since the death in July last year of his late father President Kim Il-song, 17 involved the military, the article added.

Russia Conveys Draft of North Friendship Treaty

SK1011014495 Seoul YONHAP in English
0130 GMT 10 Nov 95

[FBIS Transcribed Text] Moscow, Nov. 9 (YONHAP) — Russia recently conveyed a draft agreement on basic principle of friendly relations between itself and North Korea, which is reviewing it, Russian Foreign Ministry spokesman Grigori Karasin said Thursday.

At a press conference, Karasin announced that Moscow has proposed to Pyongyang a new agreement to replace the 1961 North Korean- Russian friendly cooperation and mutual aid treaty.

"The old treaty is not effective any more," the spokesman said.

He emphasized that the treaty, which once played an important role in bilateral relations, is now both outdated and inappropriate for new developments in Russia, Russia-North Korea relations and the Northeast Asian region.

The Russian Government, which has taken over liabilities of all international treaties involving the former Soviet Union, has notified North Korea of the renunciation of the old treaty's clause that calls for automatic Russian military intervention in the event of a war on the Korean Peninsula.

Defector Estimates North's Total Grain Output

SK1311102295 Seoul CHUNGANG ILBO in Korean
13 Nov 95 p 17

[Third of three installments of "allegations" by Yi Min-pok, a North Korean agricultural expert who defected to the ROK in February 1995, on the food shortages in North Korea]

[FBIS Translated Text] It is meaningless to demand that North Korea provide transparency on the distribution of rice aid. Assuring transparency requires more than confirmation of the distribution of South Korea rice to North Korean residents. We need to check whether total food distribution has increased. Foreign rice is stored in the state grain storehouses upon arrival. It will be beyond our control whether the South Korean rice is

used for military provisions or traded for corn with other countries after a few years of storage.

What North Korea meant by saying it is short 2 million tonnes of grain is that it does not have enough grain to maintain the South Korean-style diet, which includes meat and eggs, after reserving military provisions. It is an incorrect calculation in view of the North Korean-style diet, which consumes only rice.

The 300,000 tonnes of rice North Korea received from the ROK and Japan can be exchanged for 430,000 tonnes of unpolished rice or 600,000 tonnes of corn in North Korea. This equals the annual grain production in Yangang and Chagang Provinces. Considering that daily grain consumption in North Korea is approximately 10,000 tonnes, North Korea has secured two months' grain supply. In case North Korea receives 2 million tonnes of rice, it can be exchanged for 2.8 million tonnes of unpolished rice or 4 million tonnes of corn. This is more than North Korea's total annual consumption. Once it secures some rice, North Korea tends to trade it for corn or barley with the PRC and Russia. Rice is also needed for the purchase of crude oil.

Even though North Korea's total grain output is top secret, it can be easily estimated. The total cultivated area according to satellite photographs times output per unit gives a fairly accurate figure.

There are about 600,000 chongbo [one chongbo equals 2.451 acres] of rice paddy in North Korea with each chongbo generating an average four to five tonnes of rice. Thus, the total rice production is 2 to 3 million tonnes. In the case of corn, total cultivated land is about 800,000 chongbo with each chongbo producing an average three to four tonnes. The total corn production is also 2 to 3 million tonnes. Combining the total rice and corn production, North Korea has a minimum of 4 million tonnes of annual grain production.

Corn is calculated after threshing, while rice is calculated before polishing. After polishing, rice weighs 25 to 30 percent less.

Ten kilograms of unpolished rice becomes 7 to 7.5 kg after polishing. Four kilograms of potatoes are worth one kilogram of corn, but beans are rare and worth the same as rice, and one kilogram of polished rice is worth two kilograms of corn.

I am not certain why North Korea requested rice aid, but the ROK's position to provide 1 million tonnes of rice to North Korea, including purchases from foreign countries, will benefit North Korea's strategy.

'Individual Patch Farming' Popular in North

SK1011141395 Seoul CHUNGANG ILBO in Korean
23 Oct 95 p 10

[First of three installments of "allegations" by Yi Min-pok, a North Korean agricultural expert who defected to the ROK in February 1995, on the food shortages in North Korea; first paragraph is CHUNGANG ILBO introduction]

[FBIS Translated Text] Yi Min-pok, a former researcher at the North Korea Dry-Field Crops Institute within the Academy of Agricultural Sciences, made the interesting assumption that "even though North Korea is suffering serious food shortages due to the failure of its agricultural policy, the situation is not so bad that people will starve to death because individual residents are seeking self-sufficiency." Yi is the only agricultural expert among the North Korean defectors. He testified that the North Koreans are secretly engaging in "individual patch farming" [kaem ttoegibat nongsa] in patch fields, and some are even selling their surplus on the black market, generating additional income. If his assumption is true, then North Korea's request for rice aid can be interpreted as a measure to reduce individual farming, and thereby prevent the expanding capitalist elements, rather than to resolve the famine. CHUNGANG ILBO will carry the allegations [chujang] of Yi Min-pok, an expert on North Korean agriculture, in three installments.

North Korea's food shortage is known to have been 1 to 2 million tonnes annually over the past several years.

However, there have been no news reports that anyone has starved to death. There have been rumors that North Korea is conducting a "two-meals-a-day campaign," but these are not true. The only campaign regarding eating in North Korea is the "eat rice and meat soup" campaign.

North Korea's food shortage problems began with the failure to maintain its biweekly food distribution schedule.

The expression "food distribution has been delayed for months" means the distribution is not on schedule, not that there is no distribution at all. Delayed distribution arrives later in one lump sum.

Therefore, the problem is "temporary food shortages" until the delayed distribution arrives. Once the temporary shortage is overcome, people have a surplus from the delayed lump sum of food, and some lend their surplus to others.

When the North Korean authorities failed to supply food and daily necessities on schedule, the people began to engage in "individual patch farming" and "individual

businesses" in order to survive, and although risky, they are accumulating wealth.

Such individualization is changing the characteristics of North Korean society.

The scale of the "individual patch farming" ranges from tens of pyong [one pyong equals 3.3 square meters] to hundreds of pyong. With a few days' labor on a patch field of about 60 pyong, one can experience the miracle of gaining the same amount of food that can be obtained in return for a year of labor.

A few days of "individual business" also generates money equal to several times their yearly wage.

Although "individual patch farming" is what the Kim Chong-il regime dislikes most, even party cadres give tacit permission to this illegal and "reactionary" individual farming.

It is Pyongyang's fault that they cannot supply the distribution on time. Some cadres abuse their power and engage in individual farming at the right opportunity.

Quite a few North Koreans have accumulated overnight riches by cultivating tonnes of grain from hundreds of pyong of patch fields.

As the food surplus grew among the residents, the administration used to cut food distribution to control the residents, but this no longer works.

The situation has developed to a stage in which the North Korean authorities have asked the residents to donate "patriotic rice." The storehouses of the authorities may be empty, but the North Koreans never have empty stomachs.

[Editorial note] Biographical data on Yi Min-pok:

Born in 1957.

Graduated from the Kim Chaek University of Technology.

Worked as a researcher at the North Korea Dry-Field Crops Institute within the Academy of Agricultural Sciences, and was chairman of the institute's League of Socialist Working Youth.

Defected to the ROK through the CIS in February 1995.

Defector Compares Agricultural Systems, Output

SK1011143995 Seoul CHUNGANG ILBO in Korean
30 Oct 95 p 10

[Second of three installments of "allegations" by Yi Min-pok, a North Korean agricultural expert who de-

fects to the ROK in February 1995, on the food shortages in North Korea]

[FBIS Translated Text] The volume of food North Koreans take in is twice that taken in by ROK residents. According to what I experienced on both sides, whereas ROK residents take in 100 grams of food per meal, North Koreans take in over 200 grams, although it consists mainly of corn rather than rice.

However, North Koreans can eat meat and eggs only on a few days during the year, such as Kim Il-song's and Kim Chong-il's birthday.

In other words, although there is a considerable gap in the caloric intake between the residents of the two sides due to differences in the quality of the food eaten, namely rice versus corn and food with meat versus food without meat, North Koreans take in more food in terms of quantity.

Food is totally managed by the state in North Korea. In North Korea, the daily food ration for each person is decided according to the state's discretion and the recipients' labor capacity.

Those in the Army and Public Security Ministry receive 800 grams, of which 80 percent is rice and the rest a miscellaneous cereal. As regards ordinary residents, workers people receive 600 grams, middle school and elementary school students receive 400-500 grams, and dependent women and the elderly receive 300 grams.

As regards rationing for ordinary residents, the proportion between rice and miscellaneous cereal (usually corn) is 2:8, with an exception of 3:7 for Pyongyang residents.

The rationing of food is done once every 15 days for ordinary residents, and once per month or once per year for peasants. Those who fail to come to work suffer the loss of rations for the number of days they failed to come to work; if they arrive late to work three times, they lose one day of rations.

The North Korean workers' average monthly wage is 60 won, which can pay for 3 kg of corn or 1.5 kg of rice in the peasants' market. However, even if one has money, one cannot buy food at the food rationing station beyond what they receive as rations.

Because of this, among civilians food plays the role of currency, far exceeding the value of the actual currency. If one has food, one can trade it for anything. Grain that costs 6-8 chon per kilogram is sold at 20-35 won among civilians, which is 300 times the regular price.

The ROK uses som or sok to calculate the rice harvest, but in North Korea, it is calculated in terms of kilograms

or tonnes harvested per chongbo. One chongbo in North Korea is similar to one hectare in the ROK.

Whereas they call polished rice "ssal" in the ROK, they call it "ipssal" in North Korea, and cooked "ipssal" is "ibap."

Corn is called "kangnaengi" in North Korea, and miscellaneous cereal usually means corn. The corn that North Koreans usually eat is cooked not with unpolished corn but with corn broken into a form similar to that of rice.

North Korea enforces its crop growing policy, giving weight to increasing the quantity of the harvest, and makes peasants plant only corn and rice. Therefore, traditional miscellaneous cereals—such as Italian millet, African millet, Chinese millet, buckwheat, wheat, and barley—have disappeared. They grow some beans and potatoes. As for vegetables, North Korea makes the peasants grow mainly cabbage and radish for kimchi for the winter; thus, hot pepper and other vegetables are rare.

However, North Korea has developed excellent seeds, better than the Chinese and as good as the ROK.

North Korean corn seed is better than that of the ROK thanks to intensive research. Agricultural irrigation facilities are basically well established, and agricultural mechanization, which North Korea began earlier than the ROK, should not be underestimated.

North Korea's agricultural labor ratio is approximately 40 percent, higher than the ROK's 11 percent. Moreover, during the busy farming seasons, all residents are mobilized, so the agricultural labor force is available much more abundantly than in the ROK. Nevertheless, agricultural production is lower than in the ROK.

Some attribute the poor crops to the bad climate. However, if this were the case, countries close to North Korea—such as the ROK, the PRC, and Japan—would suffer a similar situation. I doubt the balding of hills and the landslides that result from building stair-like fields on hills are the cause.

Considering farmers recorded high agricultural productivity during the land-reform period in North Korea, all without chemical fertilizers or mechanized farm appliances, we can assess the reason for the deterioration in their agricultural productivity.

The North Korean peasants' loss of consciousness as the masters, and the resultant decline in their desire to work, must be the reason.

PRC President Jiang Zemin Arrives in Seoul*SK1311103295 Seoul YONHAP in English
1016 GMT 13 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP) — Chinese President Jiang Zemin arrived here Monday afternoon for a five-day state visit at the invitation of his South Korean counterpart Kim Yong-sam.

After attending a brief welcoming ceremony at the Seoul Airport, Jiang drove directly to Hotel Silla where he and his entourage are staying.

Jiang, the first Chinese head of state ever to visit South Korea, is scheduled to meet Kim Tuesday at Chongwadae [presidential offices] to discuss ways of increasing bilateral economic cooperation and promoting peace and security on the Korean Peninsula and East Asia. The hour-long summit will be followed by a joint press conference.

The two countries established full diplomatic relations in August 1992

Jiang will deliver a speech at the National Assembly Tuesday afternoon after attending a luncheon to be hosted in his honor by the heads of four business organizations, including the Federation of Korean Industries.

In his address at the parliament, the Chinese president is expected to explain his government's stance on Japan's notions about its past colonial rule of Korea and invasion of Asian countries.

After attending a state banquet hosted by Kim Tuesday evening, Jiang is scheduled to depart Wednesday for a tour of industrial districts throughout South Korea that will include a visit to a Samsung semiconductor plant in Kihung and a Hyundai motor factory in Ulsan.

Following a tour of Kyongju, the ancient capital of the Silla dynasty on Wednesday, the Chinese head of state will stay overnight in Cheju Island Thursday and leave for Osaka Friday to take part in the Asia-Pacific Economic Cooperation (APEC) summit.

Jiang's entourage includes Chinese Deputy Premier and Foreign Minister Qian Qichen and other senior state government officials.

Kim Yong-sam on Jiang Zemin Visit, Budget*SK1311123595 Seoul YONHAP in English
0833 GMT 13 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP) — President Kim Yong-sam exhorted the ruling Democratic Liberal Party (DLP) Monday to ensure that the on-going regular parliamentary session will proceed

smoothly, including the passage of the 1996 budget bill and other important bills before the house closes.

In a luncheon meeting with the DLP floor leader and his assistants at Chongwadae [presidential offices], the president, noting the regular session is the last of its kind for the 14th National Assembly, urged majority party leaders to see to it that there will be no vacant seats on the house floor during the meeting. He also asked them to make sure that the budget bill and other important bills will be passed before the regular session ends.

Kim did not mention anything about the political turmoil caused by the political slush fund scandal involving former president No Tae-u.

Hailing the nation's election to the United Nations Security Council [UNSC] as evidence of South Korea's elevated international status, Kim lamented that the people have not yet fully understood the meaning of becoming a member of such an important policymaking body of the United Nations.

Chinese President Jiang Zemin's state visit at his invitation is "an achievement of our foreign policy," the chief executive said, in spite of Beijing's special relations with Pyongyang.

Concerned about the people's heightened concern for security, evidenced by the recent infiltration of armed North Korean agents, Kim stressed the need for increased alertness against the Stalinist state and noted Pyongyang's anti-Seoul propaganda offensive is intensifying more than ever.

Commenting on the recent assassination of Israeli Prime Minister Yitzhak Rabin, Kim said if that act of tragic terrorism is seen by North Korean extremists as an incident giving them a sense of victory, "our security system may face a grave problem."

Reportage on Results of Japan's Eto's Remarks**Not To Receive Visit Offer***SK1011021495 Seoul YONHAP in English
0208 GMT 10 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 10 (YONHAP) — South Korea will not accept an offer by Japanese Foreign Minister Yohei Kono to visit Seoul to mend fences between the two countries unless Tokyo dismisses Takami Eto, the politician who made controversial remarks on his nation's colonization of the peninsula, a Foreign Ministry official said Friday.

"We think it is unnecessary for Kono to come to Seoul in an effort to ease tension caused by controversial remarks

by Japanese Prime Minister Tomiichi Murayama and Kono," he said.

The latest controversy has stemmed from some comments made by Eto, the head of Japan's Management and Coordination Agency, who said that during Japanese rule of Korea, his nation did some good things here in the fields of education and infrastructure.

"How could the Japanese foreign minister persuade South Koreans without Eto being dismissed from his cabinet position?" he said, noting that, aside from this case, the two countries still have other matters to resolve involving the remarks of Murayama and Kono in which they tried to justify the 1910 annexation treaty.

Expressing dissatisfaction with Japanese press reports which said that Kono may come to Seoul just to soothe the Koreans without dismissing Eto, the official said that Foreign Minister Kong No-myong actually had demanded Eto's resignation Friday using language of a "diplomatic nature" when Kong asked for Japan to "take appropriate measures" in connection with the Eto case.

Kono's Seoul visit was originally scheduled for early November primarily on policy coordination for the upcoming Asia-Pacific Economic Cooperation (APEC) summit in Osaka, but it was cancelled when Murayama and Kono made their controversial remarks on the Korea-Japan annexation treaty.

Steps Urged Against Eto

SK101114695 Seoul YONHAP in English
1136 GMT 10 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 10 (YONHAP) — South Korea Friday refused to accept Japan's offer to send its Foreign Minister Yohei Kono to Seoul to quell South Korean people's anger over controversial remarks made by Japanese politicians to justify Japan's colonization of Korea, demanding Japan should first take appropriate measures against a cabinet member in question, a senior Foreign Ministry official said.

"Foreign Minister Kong No-myong told Japan's Ambassador to Seoul Shintaro Yamashita that the Japanese Government will have to take appropriate measures against its Management and Coordination Minister Takami Eto before sending Kono to Seoul for consultations on a variety of pending issues," said Kim Ha-chung, director general of the ministry's Asia-Pacific Affairs Bureau.

The issues include preparations for the Asia-Pacific Economic Cooperation (APEC) summit and controversial remarks by Japanese Prime Minister Tomiichi Murayama and Kono on Japan's colonization of Korea.

Reacting on an offer by Yamashita that Kono will make a two-day visit to Seoul from Saturday to mend fences between the two countries, Kong said that unless Tokyo takes appropriate steps against Eto, his government would not listen to Kono's explanation about Eto's remarks in which he tried to justify Japan's colonization of Korea.

"At this stage, I do not think that Kono's Seoul visit could result in any productive consultations," Kong was quoted as saying. "Therefore, I don't think Kono's visit will be meaningful (for the solution of the aggravated bilateral relations)."

Although the current tense relations between South Korea and Japan are not likely to lead to cancellation of the summit meeting between President Kim Yong-sam and Murayama slated for Nov. 18 in Osaka, Japan, President Kim seems concerned that the aggravated relations would probably have adverse impact, to some extent, on the summit.

"We still have one more week before the start of the APEC summit and need to closely watch developments, although it will not be easy for Japan to reverse its cabinet decision Friday to allow Eto to remain at his post," Director General Kim said, hinting that his government was hoping that Japan would make some proper action against Eto during the coming week.

The strong reaction from South Korea will probably play a role in reinforcing the weak position of Murayama within Japan's ruling coalition in which Eto's Liberal Democratic Party has the upper hand, another official said.

While meeting with Kong, Yamashita meanwhile explained that Murayama gave a stern warning to Eto on his controversial remarks and Eto held a press conference to withdraw his remarks.

South Korea's Ambassador to Japan Kim Tae-chi also called on Japan's Vice Foreign Minister Sadayuki Hayashi earlier in the day to demand that Japan take measures clear enough to be accepted by the South Korean people, according to the director general.

"It is not desirable for a Japanese cabinet member to make controversial remarks and then withdraw them without being subjected to any appropriate measures," the ambassador was quoted as saying by Kim Ha-chung.

President Kim Yong-sam canceled a planned summit meeting with Murayama at the United Nations late last month after Murayama and Kono made remarks to defend the legality of the Korea-Japan Annexation Treaty of 1910 to trigger uproars in South Korea.

Eto then fueled the already tense relations by making remarks to justify Japan's colonization of Korea.

South Korea's Ambassador to China Hwang Pyong-tae said Thursday that Chinese President Jiang Zemin is likely to take an issue with Japan's perception of its colonization of Korea and invasion of Asian neighbors in his scheduled speech before the National Assembly next week during his state visit to South Korea, raising the possibility that Japan's perception of history will again be put under scrutiny by its neighbors.

Seoul 'May' Scrap Summit

SK1111045295 Seoul YONHAP in English
0438 GMT 11 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP) — South Korea may scrap next week's scheduled summit between President Kim Yong-sam and Japanese Prime Minister Tomiichi Murayama at the Asia Pacific Economic Cooperation (APEC) if Japan fails to dismiss a minister who recently made controversial remarks regarding Japan's past colonial rule of Korea, a Foreign Ministry official said Saturday.

"We cannot rule out the possibility of scrapping the proposed Kim-Murayama summit next week unless Japan dismisses its Management and Coordination Minister Takami Eto," the official said.

He referred to President Kim's cancellation of talks with Murayama in New York late last month when the Japanese leader made remarks defending the "legitimacy" of the Korea-Japan Annexation Treaty in 1910.

"As Foreign Minister Kong No-myong said yesterday, we no longer feel the need to have talks with the Japanese at any level unless Japan takes appropriate steps against Eto," he said.

The source claimed that South Korea has used all diplomatic initiatives available on a bilateral basis and that "now, the ball is in the Japanese court." However, he exercised extreme caution in predicting whether Japan actually could meet Seoul's expectations.

"What matters is the power politics within the Japanese political system in which the socialist Premier Murayama tried unsuccessfully to unseat Eto in the face of strong opposition from the Liberal Democratic Party [LDP], the biggest force within the coalition government of Japan which Eto is affiliated with," he said.

To make matters worse, Japan will have a by-elections Nov. 19 that, in the eyes of Japanese politicians, will serve as a barometer in determining the future of its political scene.

"I think it will be very difficult for the LDP politicians to dare to yield to pressure from South Korea to dismiss Eto," he said. "The conservative politicians think they will lose the by-elections and thus fail to take the initiative in future domestic politics if they succumb to pressure from Korea," he said.

Nevertheless, Seoul can do nothing else except to maintain its pressure on Japan to take appropriate measures against Eto, he said, adding that repeated controversial remarks by Japanese politicians to defend their nation's colonization of Korea, has fueled strong anger here.

"The situation could worsen to the level in which President Kim cancels a summit with Murayama unless we could find some solutions by the start of the APEC forum next week," he said. "In that case, both South Korea and Japan will have much to lose because the two countries are the closest allies in terms of efforts to defend liberalization of agriculture from the APEC liberalization package plan."

The official dismissed Japanese press reports that President Kim may cancel trip to Osaka next week, saying that "We do not link bilateral diplomatic problems to multilateral talks such as APEC."

Chinese President Jiang Zemin could help Seoul apply more pressure on Japan if Jiang takes issue with Japan's view of its past, including its colonization of Korea and invasion of Asian neighbors before and during World War II, in his scheduled address to the National Assembly Wednesday, another official noted.

Seoul has already informed Tokyo of Korea's refusal to hold trade or other discussions with Japan under the current situation, according to the source, while hoping that the diplomatic row will not develop into an economic one.

"Under any circumstances, the two countries should not allow diplomatic or political relations to affect bilateral economic ties," he said, adding, "South Korea will have much more to lose as long as suspension of bilateral economic ties is concerned, although South Korea can have stronger says in relations with Japan in terms of the political and diplomatic arenas."

Protocol officials, however, are considering withholding an invitation of Japanese Ambassador to Korea Shintaro Yamashita to a state dinner hosted by President Kim for Jiang next week.

The presidential office of Chongwadae [presidential offices], meanwhile, informed the Japanese broadcasting company NHK Friday its scheduled exclusive interview

with President Kim Tuesday has been cancelled, showing to what degree Kim's strong displeasure with Japan over the Eto case could stretch.

Seoul Considers Envoy Recall

SK1111104095 *Seoul YONHAP in English*
1035 GMT 11 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 11 (YONHAP) — South Korea is considering not only scrapping the next week's scheduled summit between President Kim Yong-sam and Prime Minister Tomiichi Murayama in Osaka but also recalling Ambassador Kim Chi-tae from Tokyo if Japan fails to dismiss a cabinet minister who recently made controversial remarks regarding Japan's colonial rule of Korea, a diplomatic source here said over the weekend.

South Korean Foreign Minister Kong No-myong called Japanese Ambassador Shintaro Yamashita into his office Friday [10 November] and told him that the agreed-on Kim-Murayama meeting during the Asia-Pacific Economic Cooperation summit would not take place if Japan fails to fire Management and Coordination Minister Takami Eto for his remarks that Japan did good to Korea during its colonial rule, the source explained.

The Seoul-Tokyo diplomatic row over Eto's controversial remarks would meet a crucial moment Monday or Tuesday, and if Japan fails to dismiss Eto by then and the Kim-Murayama summit is consequently called off, Seoul may have no option but to recall Ambassador Kim, he remarked.

President Kim stands firm against the vicious circle of Japanese politicians' outrageous remarks justifying Japan's past colonial rule of Korea and their subsequent apologies, he said.

Meanwhile, Secretary-General Koichi Kato of the Liberal Democratic Party, a key component of the Murayama's coalition cabinet, said if the South Koreans consider Japan dismisses every minister making "problematic remarks," they will go too far.

Japan Considers Special Envoy

SK1311023995 *Seoul KYONGHYANG SINMUN*
in Korean 13 Nov 95 p 1

[Report by Hwang U-yon from Tokyo]

[FBIS Translated Text] On 12 November, Japan's ASAHI SHIMBUN reported that the Japanese Government is reportedly considering to dispatch an official of the Liberal Democratic Party as a special envoy of the Japanese prime minister to the ROK as soon as the Asia-Pacific Economic Cooperation [APEC] summit winds up. This is reportedly aimed at mending a dispute over

Management and Coordination Minister Takami Eto's controversial remarks. The paper reported that such a step would be taken in the event the ROK-Japan foreign ministers' meeting, which is slated for the same period of time the APEC meeting is held, fails to find a solution.

Meanwhile, on 13 November, Japanese Prime Minister Tomiichi Murayama will hold a meeting of high-ranking officials of the government and the ruling party to discuss measures to overcome the current icy ROK-Japan relations.

Currently, within the coalition ruling party, the Social Democratic Party of Japan and the New Party Harbinger are calling on Minister Eto to resign, however, the Liberal Democratic Party of Japan maintains its position of "not linking the issue with Minister Eto's resignation."

Seoul Urges Eto Firing

SK1311031895 *Seoul YONHAP in English*
0258 GMT 13 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP) — South Korea has decided that it would have no option but to call off the scheduled meeting between its two leaders during the Asia-Pacific Economic Cooperation (APEC) summit in Osaka late this week unless Tokyo complies with Seoul's request for dismissal of the Japanese cabinet minister who recently made controversial remarks on his nation's colonial rule of Korea.

A ranking Foreign Ministry official said Japan, in working-level negotiations, had reiterated its position against firing Management and Coordination Minister Takami Eto for saying that Japan did some beneficial things during its past rule of Korea. He believed that Tokyo remained steadfast in its current position due to the possible impact Eto's dismissal could have on upcoming Japanese local elections scheduled for Sunday.

If it concludes that Japan will not change its position, the source continued, Seoul will officially call off the summit between President Kim Yong-sam and Japanese Prime Minister Tomiichi Murayama scheduled for late this week, he explained.

After having been warned by Seoul of the possible cancellation of this week's Kim-Murayama meeting over Eto's controversial remarks, Japan reacted indifferently and simply asked for verification on whether President Kim would attend the APEC summit, according to the official.

Observers noted that this latest diplomatic row between both nations over comments on the issue of Japan's

colonial rule of Korea would continue to escalate unless Eto is fired by Tokyo.

Eto Resigns

*SK1311084595 Seoul YONHAP in English
0837 GMT 13 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 13 (YONHAP) — Under heavy pressure from Seoul and Japanese political parties, Japanese Minister for Management and Coordination Takami Eto tendered his resignation Monday afternoon for his controversial remarks regarding his nation's colonial rule of Korea.

Eto, who angered Koreans by alleging that Japan "did some good things" during its 35-year colonial rule of the Korean Peninsula, handed in his resignation to Prime Minister Tomiichi Murayama.

Minister Eto, meanwhile, held a press conference in Tokyo to formally announce that he was resigning.

South Agrees To Go Ahead With Japan Summit

*SK131110295 Seoul YONHAP in English
1048 GMT 13 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP) — The government Monday afternoon decided to go ahead with a Korea-Japan Summit meeting in Osaka on Nov. 18 as planned now that Japanese Management and Coordination Minister Takami Eto offered to resign in connection with his controversial remarks about the Japanese colonial rule of Korea in the past.

In addition, the government plans to have Foreign Minister Kong No-myong meet his Japanese counterpart, Minister Yohei Kono, during the upcoming APEC (Asia-Pacific Economic Cooperation) ministerial meeting in Japan to discuss ways to resolve currently strained bilateral relations.

The Seoul government had asked Japan to take "appropriate measures" over Eto's disparaging remarks or face possible cancellation of the planned summit.

So Tae-won, spokesman for the Foreign Ministry, said Eto's resignation was a wise decision. "We think his departure serves to keep strained bilateral relations from growing worse," he said.

Another Foreign Ministry official said Eto's resignation was not "the best" but was a step that could be included in the "appropriate measures" which Seoul had asked Tokyo to take over Eto's remarks.

Now that Eto has gone, the planned Korea-Japan summit and foreign ministers talks will be held on Nov. 18 and 15, respectively, as scheduled, the official said.

President Excludes Business Leaders From Trip

*SK1111030095 Seoul THE KOREA TIMES in English
11 Nov 95 p 8*

[Article by staff reporter No Chun-hun]

[FBIS Transcribed Text] The decision by President Kim Yong-sam to exclude business leaders from accompanying him to the Asia-Pacific Economic Cooperation [APEC] meeting scheduled for Nov. 17 in Osaka is sending threatening signals to the conglomerates.

This recent shift from corporate diplomacy realized has been widely interpreted as a hint that the Chief Executive is determined to see to it that irregularities concerning former president No Tae-u are properly dealt with.

Sources within the business community said that group owners had actually viewed the Osaka meeting as an opportunity to seek appeasement with the present administration and did not expect the President to rule out their participation.

Against such speculation, Chongwadae [presidential offices] explained that it had not been a regular practice to make businessmen part of presidential delegations and that their exclusion was nothing unusual.

However, the truth of the matter is that most owners of the nation's top 30 business groups have been summoned for questioning regarding their illegal political contributions and the move translates into a virtual reprimand.

Business sources said that the decision was especially hard to take since the venue of the APEC meeting is in Japan, a nation with which Korea has a huge trade deficit, and that trade diplomacy is more necessary there than anywhere else.

More recently, as many as 64 top businessmen were invited as an unofficial delegation during the President's visit to Southeast Asia and Australia, and 27 accompanied him on his trip to Canada last month.

On Kim's official visit to Europe in March, an unprecedented 120 business leaders followed him, presenting the type of trade diplomacy that was rarely seen under any previous Korean government.

It is therefore difficult to view President Kim's decision to exclude businessmen from his entourage on his Osaka trip as a mere coincidence. It is most likely a virtually a statement to the effect he will not overlook past offences.

While it had been speculated that the President himself had taken money from former president No during the

1992 presidential elections, the latest indications are that president Kim has little to hide.

Kim declared when taking office in early 1993 that he would not receive a single won from corporation while in office and there is evidence that he has kept his word to the letter.

With business leaders admitting that they offered huge amounts of money, some in excess of 30 billion won (38 million dollars) to No, there is an increasing possibility that a number of them will face criminal charges.

In fact, the prosecution has said that there are rampant cases in which large businesses won major contracts during No's years in power and charges of bribery are believed to be in the making.

"The inclusion of businesses for the Osaka trip would have amounted to an unofficial pardon. Now, it appears that businesses will have to fend for themselves," one business observer noted.

He added that with public anger reaching new highs almost on a daily basis, perhaps even the Chief Executive is finding it beyond his reach to take action of his choice, instead simply allowing the events to take its natural course.

Official Urges Separate Discussion of Agriculture

SK1011034895 Seoul THE KOREA HERALD
in English 10 Nov 95 p 8

[FBIS Transcribed Text] Korea and its neighbors in Northeast Asia will push for a separate consideration of agricultural trade from the Asia-Pacific free trade agreement being discussed at the upcoming APEC (Asia-Pacific Economic Cooperation) meeting in Osaka.

"Korea, Japan, Taiwan and China will be asking for a separate discussion over the sensitive agricultural sector," said an official at the Ministry of Agriculture, Forestry and Fisheries yesterday.

Contrary to the views held by Northeast Asian countries, however, the United States and Australia are reportedly pushing for the inclusion of agriculture as part of the trade liberalization package.

The official, Choe Yong-kyu, director-general of the ministry's International Agricultural Bureau, said, "Especially for Korea, we can't treat the trade of manufactured goods and agricultural goods the same way."

At the upcoming APEC meeting in Osaka Nov. 11-21, the member nations will first begin addressing ways of creating a regionwide free trade and investment zone, modeled after the NAFTA (North American Free Trade Agreement) or the EU (European Union).

The idea, still in its infant stage, was first adopted through the Bogor Declaration by APEC leaders at last year's meeting in Indonesia.

The APEC declaration stated its goal of accelerating the WTO scheme and removing trade barriers within the region. The implementation deadline was set at the year 2010 for developed countries and 2020 for developing countries.

When and if adopted, the scheme is expected to be much less binding than other major trade agreements, such as the WTO or NAFTA, because APEC participation itself is largely based on voluntary cooperation.

Choe at the ministry said, "Basically, we seek to maintain the opening schedules as agreed under the WTO."

Agricultural officials scheduled to attend the APEC meeting emphasized that the free trade issue is still on the drawing board, and that it would be important to specify agriculture as a special area of consideration.

Under the WTO agreement, Korea opened its rice market this year, by agreeing to the minimum market access of 51,000 tons. But the actual import for the year reached 57,000 tons.

The meat market is scheduled for gradual removal of non-tariff barriers by 2004, when the market will be virtually open.

The APEC region provides a significant export market for Korea.

Based on the 1994 export date, the United States and Japan alone absorbed a combined 35.5 percent of Korea's total exports. China and the ASEAN (Association of Southeast Asian Nations) are emerging strategic places for Korea's overseas investment.

APEC member nations number 18. The region generated over half (57.6 percent) of the world GDP (Gross Domestic Product) in 1994. Trade volume was 44.3 percent of the world's total trade. The region was also home to 38.1 percent of the world's population.

Prosecution Finds Evidence of Bribery

SK1011051695 Seoul THE KOREA HERALD
in English 10 Nov 95 p 1

[FBIS Transcribed Text] The prosecution's probe of business tycoons has raised suspicion that some may have bribed former President No Tae-u to win major state projects during No's term of office from 1988 to 1993, prosecution sources said yesterday.

They said the prosecution has secured evidence that several business leaders had given scores of billions

of won each before and after they had obtained major government contracts.

Seven more tycoons underwent questioning yesterday in a continuing probe of conglomerates implicated in the slush fund scandal involving the former President. The prosecution said it will call in six others today.

Meanwhile, prosecutors said they will also look into the allegation that part of No's slush money was funneled into ruling and opposition candidates during the 1992 presidential election.

"As part of our probe of business leaders, we are looking into the allegation," said Senior Prosecutor An Kang-min, who heads the investigation.

"We plan to complete the questioning of business leaders by early next week, except for some now staying abroad," he told reporters. He said the prosecution had questioned 15 leading businessmen by yesterday.

The results of the probe will be disclosed after completing questioning of all the businessmen involved, he said.

Other prosecutors indicated that No will be recalled again, sometime this month, after the completion of the probe of businessmen. They did not rule out the possibility that he may be arrested on bribery charges.

Those questioned yesterday included Chong Chu-yong, founder and honorary chairman of Hyundai group.

As in the case of other tycoons, Chong was called on to make clear the amount of money he had given to No and whether his group received any favors in return.

While making an unsuccessful run for president in 1992, Chong said he had given 30 billion won to No.

During No's presidency, Hyundai won contracts for several nuclear power plants and became the key contractor in an international airport on the West Coast near Seoul.

Also called in during the day were Kim Sok-won, former chairman of Ssangyong Group, and heads of five conglomerates — Hyosung's Cho Sok-nae, Kolon's Yi Tong-chan, Doosan's Pak Yong-kon, Haitai's Pak Kun-pae and Kohap's Chang Chi-hyok.

Some news reports quoted prosecution sources as saying that some tycoons admitted to having given 10 billion won to 35 billion won each to No while he was in office from 1988 to 1993.

They, however, denied that the money was given in kickbacks to win major state projects, according to the reports.

The prosecution said it told six business leaders to appear for questioning today. They are Hanjin's Cho Chung-hun, Hanhwa's Kim Sung-yon, Pacific Chemical's So Sung-hwan, Kukdong's Kim Yong-san, Dongbu's Kim Chun-ki and Samyang's Kim Sang-ha.

Meanwhile, the prosecution ordered a manhunt for Pae Chong-yul, former chairman of Hanyang Group, who has been at large since the prosecution announced a plan to summon him early this week.

In an apology to the nation Oct. 27, No said he had raised 500 billion won in "governing funds" through the customary "donations" from businesses while in office.

He submitted himself to the prosecution five days later. He rejected bribery charges and did not name the businessmen who had made donations to him.

No's Funds Confirmed as Business Bribes

SK1111081695 Seoul YONHAP in English
0811 GMT 11 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP) — The prosecution has confirmed that most of the secret funds former President No Tae-u created while in office were bribes he took from businesses in return for favors.

Senior Prosecutor An Kang-min said over the weekend that the prosecution, while questioning the heads of 26 business conglomerates so far, had confirmed most of the funds they gave to No were bribes for lucrative government contracts and other business favors.

No's secret funds confirmed so far amount to more than 360 billion won (about 47 million U.S. dollars), he added.

The prosecution has not yet decided whether No should be summoned again for questioning and whether legal proceedings should be taken against the former president, An said.

Daewoo Chairman Kim U-chung, Lotte Chairman Sin Kyok-ho and Miwon Chairman Yim Chang-uk will be summoned Sunday [12 November] for questioning about their financial relations with the former president, he said.

Kim and Sin will return from overseas trips Sunday to comply with the prosecution's summons.

Prosecution To Summon No's Brother

SK1111080995 Seoul YONHAP in English
0736 GMT 11 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP) — The prosecution will summon No Chae-u, 61, brother of former president No Tae-u, Saturday evening for

questioning whether part of the ex-president's secret funds has flowed into his two firms.

Senior Prosecutor An Kang-min said the former president's brother would be questioned about the sources of the funds with which he bought Tongho Real Estate Co. in 1992 and Mirak Cold Storage Co. in 1990.

No Ho-chun, 32, son of Chae-u and nephew of the ex-president, will also be summoned for questioning, if necessary, as he is president of Tongho Real Estate and concurrently vice president of Mirak Cold Storage, he added.

The prosecution is also investigating some 20 properties owned by the ex-president's family members and in-laws, including the Seoul Center Building, the Tongnam Tower Building and lands in Seoul and Kyonggi Province, to determine if part of No's secret funds is invested in these properties.

Prosecution May Summon No Tae-u's Family

SK1211101595 Seoul YONHAP in English
0951 GMT 12 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 12 (YONHAP) — The prosecution is studying summoning shortly for questioning former president No Tae-u's wife Kim Ok-suk (60), son Chae-hyon (32) and nephew Chae-chun on suspicions that part of No's slush funds was funneled into the purchasing of real estate in their names.

A prosecution official said Sunday, "No specific schedule has yet been set up for their summoning. But we will summon and question them if and when their interrogation is deemed necessary."

To find out whether some of No's slush funds has flowed into the purchase of real estate, persons implicated are being questioned under summons, while the tracking down of bank accounts is underway, the official added.

The prosecution's probe of the No case is thus expanding from No himself to all his family members.

Prosecution Traces Accounts Owned by No's in-Law

SK1111065395 Seoul THE KOREA HERALD
in English 11 Nov 95 p 3

[FBIS Transcribed Text] The prosecution, investigating the alleged speculative real estate purchase of ex-President No Tae-u, is tracing bank accounts of a business firm owned by an in-law of No's to get evidence that No's slush fund is connected with at least two buildings in Seoul.

In tandem with questioning of business tycoons who allegedly gave huge sums of "governing" funds to No during his presidency, the prosecution grilled Sin Myong-su, chairman of Dongbang Corp. and father-in-law of No's son, for nearly 48 hours since Wednesday morning.

But Sin flatly denied the suspicion that No's slush fund had been funneled into Dongbang's 1990 purchase of the two buildings, whose total price is estimated at close to 200 billion won (roughly \$250 million), prosecution sources said yesterday.

Sin was quoted as saying that he had bought the buildings with his own money. Sin said he invested 37.4 billion won in buying the 17-story Seoul Center Building near the City Hall and the 18-story Dongnam Tower Building in Taechi-tong in southern Seoul.

The prosecution sources, however, said that the ongoing tracing of Dongbang's bank accounts is expected to provide evidence that Sin's testimony is not true.

The sources based their suspicion on three facts. One is that Sin, owner of a medium-sized firm whose net profit was 3.3 billion won (about \$4.1 million) in 1990, bought the two expensive buildings in November and December that year. No was the President from 1988 to 1993.

The second fact is that Sin purchased the buildings just five to six months after his daughter married No's son.

The third is that three Dongbang officials, who were questioned by prosecutors Wednesday, hinted that some money from outside Dongbang was involved in the purchase of the buildings.

It has yet to be known whether all of the money with which Sin bought the buildings came from No's slush fund, and it may take a long time to trace all the money involved.

But a prosecutor said that "once we find clues that show No financed the purchase of the buildings, we will expand investigations into several other real estate ventures of which No is suspected of being the real owner."

Business Groups That Broke Law To Be Punished

SK1311115395 Seoul YONHAP in English
1136 GMT 13 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP) — Vice Finance and Economy Minister Yi Sok-chae said Monday those business groups found to have violated laws in their provision of funds to former president No Tae-u would face disciplinary measures.

"We will have the National Tax Administration and the Office of Bank Supervision and Examination take necessary steps against those industries found to have breached laws," Yi said in a testimony at the National Assembly Finance-Economy Committee.

Yi, however, did not specify the groups, if any, that would face such punitive actions.

Vice Minister Yi also said his ministry is reviewing a plan to bolster the system of having industries go through out-company auditors as a means of preventing the outflow of industrial funds.

Party Leader Tries To Deflect Public Criticism

SK1111035695 Seoul THE KOREA HERALD
in English 11 Nov 95 p 2

[FBIS Transcribed Text] Opposition leader Kim Chong-pil, who has kept silent on an allegation that he has 10 billion won in secret accounts, is attempting to deflect public criticism by taking up other issues.

While making an innuendo that President Kim Yongsam spent money for his election campaign in 1992 far beyond the legal limit, the opposition leader is trumpeting a need for a change in the system of government.

Kim Chong-pil, president of the opposition United Liberal Democrats, said yesterday that the presidential system of government should be replaced by a cabinet system.

"We need to make a fundamental change in the system (of government) for the future of our nation," Kim said. "The secret fund scandal (involving former President No Tae-u) is showing what road we should take."

On Wednesday, opposition leader Kim said President Kim, who is accused of having spent 1 trillion won by another opposition leader, should disclose the whole truth about his campaign fund.

Kim Chong-pil added, "The (law-enforcement) authorities need to clear up suspicions and worries (about the campaign fund) harbored by citizens."

The voice he raised about the two issues — one concerning President Kim's election campaign fund and the other about the proposed change in the system of government — is in contrast with his long silence on his own alleged secret fund.

Since an opposition lawmaker claimed last month that Kim Chong-pil has a 10 billion won slush fund, Kim's opposition party has neither confirmed nor denied it.

Shortly after dropping a bombshell remark that former President No Tae-u has a 500 billion won slush fund, Rep. Pak Kye-tong of the opposition Democratic Party claimed opposition leader Kim had 10 billion won deposited in a commercial bank, whose president was convicted of bribery.

The opposition lawmaker said a prosecutor investigating the commercial bank's bribery scandal discovered Kim's secret deposit.

Kim is also accused by the opposition Democratic Party of accepting a huge sum of money from former President No. But Rep. Pak did not say whether or not the money deposited in the commercial bank was from the former President.

While sitting on accusations against him, Kim alluded President Kim spent far more than the legal limit of 36.7 billion won when he campaigned for his presidential election in 1992.

"A presidential election costs an astronomical sum of money. I have witnessed it. I am not talking about it even though I know all about it," said Kim, who was a co-chairman of the ruling Democratic Liberal Party when the presidential election was held.

Kim Chong-pil parted with the ruling party when his relations with President Kim soured earlier this year. Later, he formed his own party, the United Liberal Democrats.

Rep. Han Yong-su, floor leader of the United Liberal Democrats, said his party is aware how much money the ruling Democratic Liberal Party spent on President Kim's campaign during the 1992 presidential election.

The United Liberal Democrats may disclose the amount if the ruling party refuses to do so, Rep. Han said.

Kim Chong-pil claimed that it is necessary for the nation to change the system of government in favor of the cabinet system if it is to cure itself of bribery scandals involving political leaders.

Concentration of power in the hands of a single man, the president, spawns corruption, Kim said.

"All former Presidents became greedy and corrupt after being elected," he said. "Under the cabinet system of government, there would never be a scandal like the one involving No."

Burma

U.S. Assisting SLORC 'To Destroy' MTA

BK1211101295 (Internet) BurmaNet News in English
11 Nov 95

[Unattributed Report from Shan Herald News Agency: "SLORC Controls Drugs But U.S. is Still Out For Khun Sa's Scalp"; dated 5 November]

[FBIS Transcribed Text] Shans are shocked by reports about American approval of SLORC's [State Law and Order Restoration Council] military campaigns against Shans despite growing evidence that the bulk of opium and heroin convoys are passing through SLORC controlled territories.

One customs official of Muang Tai Army [MTA], whose name is withheld here by request, says: Since communist affiliated organisations went over to the SLORC's side six years ago, less and less drugs are coming into MTA-controlled areas. Accordingly we are getting less and less revenue, in sharp contrast to our increase in troop strength. Drug operations are cheaper, easier, faster, and more profitable in SLORC's areas. So why should the traders, except for a few, want to come through us? And yet the Americans are still enlisting SLORC and its allies help to destroy us. I cannot understand why they are doing this. If they really want drug imports into the United States to go down, the answer is simple: Stop SLORC from fighting us and put more pressure on it to apply tighter measures in its own controlled areas instead.

He adds dryly: If it weren't for assistance from some of our old friends, the Shans cause would be as good as finished.

S.H.A.N. [Shan Herald News Agency] asked the opinion of Khwanmong, Secretary General of the Shan State Restoration Council's Central Executive Committee, who denied that the situation was that bad. "We are taking steps to open peace talks with the SLORC which, if successful, will allow us the opportunity to make more revenue. I hope Thailand will exercise a little more patience with us", referring to reports that Thais are preparing for more severe sanctions against the Shans.

SLORC Reportedly Seizes Thai Boats, Crew

BK1011023995 Oslo Democratic Voice of Burma
in Burmese 1430 GMT 9 Nov 95

[Dispatch by U Myint Aung in Mae Sot]

[FBIS Translated Text] It has been learned that the Thai military has sent a protest note to the SLORC [State Law and Order Restoration Council] following the seizure of

six Thai boats and six Thai civilians by SLORC forces in the Taungyin [Moei] River along the Thai-Burma border.

The SLORC breached an agreement between the Thai and Burmese sides not to seize boats flying both the Thai and Burmese flags on the Taungyin River when it fired on and sank a Thai boat and seized another six. Six crew members were arrested. The Thai Seventh Army has sent a protest note to the SLORC concerning the matter.

Thai Foreign Minister, Party Arrive in Rangoon

BK1211145195 Rangoon Radio Myanmar in Burmese
1330 GMT 12 Nov 95

[FBIS Translated Text] Thai Foreign Minister Mr. Kasemi Kasemsamosan and party arrived in Yangon [Rangoon] by air this morning to pay a visit at the invitation of U Ohn Gyaw, foreign minister of the Union of Myanmar [Burma].

The Thai delegation was welcomed at the Yangon International Airport by Foreign Minister U Ohn Gyaw, responsible personnel, Thai Ambassador Mr. Paksak Nin-ubon, and embassy staff.

Received by Khin Nyunt

BK1311011895 Rangoon Radio Myanmar in Burmese
1330 GMT 12 Nov 95

[FBIS Translated Text] At the Defense Ministry's Dagon House at 1500 today, Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], received Thai Foreign Minister Mr. Kasemi Kasemsamosan and his party, who are currently in Yangon [Rangoon].

Than Shwe Plans To Meet ASEAN Leaders

BK1311073695 Bangkok BANGKOK POST
in English 13 Nov 95 pp 1, 3

[Report by Nutsara Sawatsawang in Rangoon]

[FBIS Transcribed Text] Burmese military leader Gen Than Shwe has officially accepted an invitation to meet with other Southeast Asian leaders during the ASEAN summit to be held in Bangkok next month, a senior Burmese official told Foreign Minister M.R. [Mom Ratchawong — member of royal family] Kasemsamoson yesterday.

Burma is also preparing for a visit by Prime Minister Banhan Sinlapa-acha, Lt Gen Khin Nyunt was quoted as saying during his 30-minute talk with M.R.

Kasemsamoson who arrived here yesterday on a two-day fence-mending mission.

Lt Gen Khin Nyunt is the first secretary of the ruling State Law and Order Restoration Council.

The Burmese general reportedly demanded compensation from Thailand for three Burmese nationals killed in an attack by Khun Sa's troops at Tachilek in March, as one of the conditions to be met before ties between the two countries can be improved.

While briefing reporters Deputy Foreign Permanent Secretary Sarot Chawanawirat refused to reveal the results of talks between Thai and Burmese officials which began on Saturday.

The talks have centred on thorns in bilateral relations between the two countries which led Burma to close checkpoints along its frontier with Thailand.

"There is absolutely no problem with the relationship at the government-to-government level. The outlook is bright and doors are open for both of us to reach compromises and solve the problems," said Mr Sarot.

The official expressed optimism that tension between the two countries was easing.

Rangoon closed sections of the common border opposite Chiang Rai and Tak after accusing Thailand of lending support to Karen rebels and drug warlord Khun Sa.

Another checkpoint in Ranong was sealed tight following the murder of Burmese crewmen on a Thai fishing vessel.

Rangoon also called off the construction of the friendship bridge over the Moei River in Tak, alleging the Thai side had encroached into its territory.

Six Thais were allegedly murdered by eleven Burmese crewmen on a trawler in Burmese waters last Sunday, just as reports emerged that Rangoon had demanded compensation for the murder of three Burmese crewmen on board a Thai fishing trawler in August as a condition to improve ties.

"I hope after this trip that an atmosphere of good neighbourliness can be restored," M.R. Kasemsamoson told reporters before his departure from Bangkok.

Another purpose of M.R. Kasemsamoson's trip is to prepare for Prime Minister Banhan's visit to Burma.

Thailand wants to enter into high-level contact with Rangoon before the ASEAN summit on December 14-15.

However, the timing of Mr Banhan's visit is contingent upon the overall state of bilateral relations, Thai officials said.

A team of Thai officials from the Foreign Affairs and Commerce ministries as well as the Customs and Immigration agencies will be in Rangoon for talks with their Burmese counterparts next on Nov 21 to wrap up a draft agreement on border trade.

SLORC Issues Restriction on Shan State Army

BK0411141395 (Internet) BurmaNet News in English
1 Nov 95

[Unattributed report from the August-September issue of the VOICE OF THE PEACOCK magazine published by the All Burma Students' Democratic Front]

[FBIS Transcribed Text] Since at the end of March, 1995, the SLORC [State Law and Order Restoration Council] ordered a 10 points restriction on SSA [Shan State Army] Brigade (7) operating in Ka Leint-Kon Hein township, a source from S.H.A.N [Shan Herald Agency News] said the 10 points are:

(1) The SSA (Shan State Army) forces must inform the local SLORC officials and request permission if they want to pass the village or town with their weapons.

(2) All of the SSA forces must transfer their bases 10 miles far [away] from truck roads.

(3) The SSA forces that are operating in Ka Leint-Kon Hein area must completely move to the HQs [Headquarters] of SSA located in Hsipaw township, in North of Shan state within three months.

(4) The SSA forces must ask permission from local SLORC officials if they want to travel over truck roads either by foot or by trucks.

(5) The SSA forces who are working in gem-digging concession areas in Mong Shu area must operate in the permitted area only, and must not take any money from either individuals or organizations.

(6) The SSA forces must stop taking new recruits or demanding food and porters.

(7) The SSA troops must follow with the columns of the SLORC when ordered.

(8) The SSA should prepare and think for the systematic abolition of the SSA in future. If they want to hold arms they must become a special police force (or) local guards.

(9) Following the cease-fire the SSA must obey the orders and regulations accurately or else return to the jungle again.

(10) The SSA forces having any connection with the MTA (Muang Tai Army) have been warned that they will be severely punished.

At the beginning of 1995 in the Mong Shu gem mining area, five SSA soldiers were beaten severely by the SLORC forces. The SSA signed a cease-fire agreement with the SLORC on 24-9-89 led by Say Htin and following Brigade (1)(3)(4) and (7). However, the SSA also sent a delegation to the meeting of the PDF (Peace and Democratic Front).

Democratic Alliance Holds Executive Meeting

*BK1011131495 London BBC in Burmese
to Burma 1345 GMT 9 Nov 95*

[FBIS Translated Text] Dear Listeners: BBC Burmese Service correspondent U Hla Pe reports from Bangkok on a meeting of the DAB, the Democratic Alliance of Burma, an opposition group, and the resolutions reached at the meeting:

[Begin Hla Pe recording] The DAB, one of the opposition groups in Burma, held its Central Executive Committee [CEC] Meeting on 7-8 November at a location along the Thai-Burmese border. Nine CEC members and two advisers attended the meeting. When U Myint Zaw, master of ceremony at the meeting, was asked about the resolutions reached at the meeting, he explained that the DAB will continue to pursue the four previously-agreed policies. Moreover, he said the DAB will continue to follow the path of negotiations in resolving the problems in Burma. At present, U Myint Zaw is chairman of the Democratic Party for a New Society.

In accordance with the DAB policy that any organization that reaches an understanding with the SLORC [State Law and Order Restoration Council] can no longer be a member of the DAB, the membership of the New Mon State Party, which reached an understanding with the SLORC on 29 June, was automatically terminated and DAB General Secretary Nai Han Tha was relieved of his post. It has been learned that former Joint Secretary U Myint Zaw was appointed general secretary at the meeting. Another significant decision reached at the meeting was that U Moe Thee Zun and Dr. U Naing Aung, chairmen of two different factions of the ABSDF [All Burma Students Democratic Front], were appointed acting members of the CEC.

The statement issued at the meeting says the DAB will continue to work for national reconciliation. The statement also states the need for a tripartite meeting for national reconciliation. The statement defines the tripartite meeting as a meeting among the ruling SLORC government, the democratic forces led by Daw Aung San Suu Kyi, and the national ethnic groups. The national ethnic groups are defined as national ethnic groups belonging to the NDF [National Democratic Front] and DAB, political parties inside Burma, and all

national ethnic groups that have reached an understanding with the SLORC.

When asked about the DAB's view if the SLORC begins talks only with the democratic forces led by Daw Aung San Suu Kyi, U Myint Zaw said the DAB has no objection but noted that such a meeting must lead to the tripartite meeting. The statement also says the DAB is ready if the SLORC begins talks with it. At the meeting, U Myint Zaw said, the KNU [Karen National Union] explained its stance and said it has offered to hold talks with the SLORC, but no clear-cut agreements or discussions have taken place so far. He added that the DAB meeting decided to pursue the previous policies and emphasized understanding, reconciliation, and unity among the members. [end recording]

Chin National Front Foreign Officer Interviewed

*BK1211163695 London BBC in Burmese
to Burma 1345 GMT 10 Nov 95*

[Interview with Sricha, officer in charge of foreign relations of the Chin National Front, by BBC correspondent Hla Pe, in a location along Thai-Burmese border; date not given — recorded]

[FBIS Translated Text] [Hla Pe] U Sricha, officer in charge of foreign relations of the Chin National Front [CNF], arrived at the Thai-Burmese border to meet with leaders of the DAB [Democratic Alliance of Burma]. During his visit, I had the opportunity to talk to him. According him, the CNF was founded in 1970 but did not begin its activities until after 1988. He said the CNF was organized by young educated Chin nationals, and was formed to allow the Chin nationals to determine their own future. Regarding the political system, he expressed CNF's desire to establish a political system that would ensure full human rights. When I asked him about the cease-fire agreements between the SLORC [State Law and Order Restoration Council] and the national ethnic groups, He said:

[Sricha] The CNF is a member of the DAB. My view on the cease-fire agreements between the SLORC and DAB members is that each individual group has their own political problems. There were no political discussions during the cease-fire agreement so we cannot say that real peace has been achieved. It is only a temporary cease-fire agreement. We believe the national ethnic groups signed the cease-fire agreements only because they have various political problems. So far the CNF has neither officially made nor received any overtures to hold talks with the SLORC. What we are facing today is a political problem. The CNF is not interested in a cease-fire unless there is a political discussion.

[Hla Pe] When I asked him about the political situation in Burma, he said:

[Sricha] During the 1990 election, the NLD [National League for Democracy] led by Daw Aung San Suu Kyi won more than 80 percent of the parliamentary seats. According to both the election law and law practiced by the international community, the NLD has a right to form and lead a legitimate government. We also believe that the NLD is the party capable of leading Burma and forming the legitimate government.

[Hla Pe] Sricha is a young man and he is about 35 years old. I talked to him while he was continuing his journey. He said the CNF is ready if the SLORC offers to hold a political discussion. If not, then the CNF is not interested. He also explained about the CNF's activity among the Chin nationals and its plans to improve foreign relations. We departed after this conversation. I am Hla Pe, a Bangkok-based correspondent for BBC Burmese Service.

Brunei, Malaysia & Singapore

Malaysia

Police Detain 16 More Illegal Burmese Immigrants

BK1011085295 Kuala Lumpur BERITA HARIAN
in Malay 10 Nov 95

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Georgetown, Thursday [9 November] — During a third day of operations, police this morning were successful in detaining another 16 Myanmar [Burmese] who entered the country illegally via Pantai Kerachut and Teluk Kampir near here.

The operation began at approximately 0700. After receiving a tip from local residents, a team comprising personnel from the Police Field Force 2d Battalion and Teluk Bahang Police Station and led by Chief Inspector Hairi Ali successfully detained the illegal immigrants as they were walking out of a forest reserve. The illegal immigrants were weak and appeared fatigued because they had not eaten for several days.

With this detention, a total of 186 illegal immigrants entering the country via Pantai Kerachut and Teluk Kampir has been detained by police since the launch of the operation three days ago.

A police spokesman said the police are continuing their operation and are continuing to search for two bodies of immigrants believed to have died from starvation. [passage omitted]

Concern Expressed Over SRV Refugees Proposal

BK1011090095 Kuala Lumpur Voice of Malaysia
in English 0800 GMT 10 Nov 95

[FBIS Transcribed Text] Malaysia has expressed its concern over the proposal by the United Nations High Commissioner for Refugees, UNHCR, to introduce some transitional arrangements and activities under the comprehensive plan of action in dealing with the problem of refugees in Southeast Asia.

Malaysia's representative, Zainuddin Yahya, in voicing out the concern at the first committee of the 50th United General Assembly in New York said the proposal, which seeks to convert the operation into a migration program, was not clear to Malaysia. He said it must be emphasized that the Vietnamese boat people in the first asylum countries in Southeast Asia constitute a refugee problem and that it is not a migration issue.

Zainuddin said the UNHCR has an obligation toward finding a durable and lasting solution to the problem of Vietnamese boat people.

'Continued Commitment' to APEC Reaffirmed

BK1311093995 Kuala Lumpur BERITA HARIAN
in Malay 13 Nov 95

[Editorial: "Malaysia Preserves APEC's Prestige" — received via Internet]

[FBIS Translated Text] The third APEC [Asia-Pacific Economic Cooperation] summit in Osaka this week will be an important meeting for all 18 members to preserve the integrity and future of the forum as a platform for cooperation. The general public expects the summit to be a framework for settling the growing trade frictions among members after certain countries acted unilaterally to settle problems with no regard for the spirit of cooperation expressed by the forum.

Observing developments and the serious efforts of host Japan to ask Datuk Sri Dr. Mahathir Mohamed, the prime minister, to attend the meeting clearly demonstrates that Malaysia is regarded as a prestigious APEC member. In fact, Malaysia's position in all international fora is clear. We will always show concern regarding any economic, political, or security issues of regional interest. Accordingly, Dr. Mahathir stressed that Malaysia's stance is simple; each country should be given the freedom to voice its own opinion. He said this when he announced the cabinet's decision on the need for him to attend the summit.

At the same time, Malaysia will not change its position that APEC should not become a trade bloc and will oppose any attempt to set up a trade bloc. APEC

members should be given the freedom to conduct any type of trade with other countries.

Viewing APEC's current crisis, no one will deny that the forum's stability has been affected by efforts to exempt the agricultural sector from a free trade regime and by differences in opinions between importers and exporters. This fact was admitted by Sandra Kristoff, assistant to the U.S. trade representative on APEC affairs, during an interview published by the daily *THE SYDNEY MORNING HERALD*. She added that a big question will arise over the ability of some APEC members to remain in the group unless the problem is resolved.

In general, Japan, China, South Korea, and Taiwan want the agricultural sector to be exempted from an action plan on the full implementation of free trade in the group by 2020. Such exporters as the United States and Australia are strongly opposed to such an exemption and have said that they will campaign at the summit for an action plan on free trade that covers agriculture. At the summit in Bogor, Indonesia last year, APEC leaders basically agreed to give priority to the full implementation of free trade and investment in the region by 2020. Developed countries have set 2010 as the deadline for their implementation of free trade.

An action agenda as a manifestation of the Bogor commitment is expected to be discussed at the Osaka summit. In the meantime, an internal rift over the exemption of the agricultural sector, which is likened to a snake in the grass, is quietly becoming more serious because most members feel that the exemption of certain sectors purely due to domestic sensitivities is contrary to the stance adopted in Bogor, and there will be a big question about their intention to be in APEC.

Malaysia always adopts an open attitude toward the handling of any global issues. Malaysia's readiness to attend the APEC summit proves that we always respect all parties and want to listen to views aired by every country. Accordingly, Dr. Mahathir wants all countries to be given the freedom to voice their respective views, because that is the only way to ensure that everything will be constructive and will not be engineered by certain parties.

In this context, Malaysia's action in proposing an annex to the APEC declaration at the Bogor summit last year that it did not want to be bound by any deadline to liberalize its trade was very correct. From the outset, Malaysia has been opposed to and has said that it will not be bound by a free trade timeframe — 2010 for developed countries and 2020 for developing countries — because members have their own capabilities. Malaysia has adopted this stance because each member has domestic problems. Accordingly, APEC mem-

bers should not hastily make decisions. This was proved when several countries that agreed with certain decisions at the Bogor summit no longer showed their full commitment because of various domestic problems. On the contrary, APEC should focus on small countries with weak economies rather than specifically on opening markets. For example, the implementation of the ASEAN Free Trade Area [AFTA] must be accelerated because it involves a small group.

Nevertheless, the annex introduced by Malaysia, which should become the main agenda, has been forgotten apparently, amidst the busy and serious preparations for the summit. A year has passed, but the annex has been ignored by certain parties, although its logic has been recognized by many world leaders, including the U.S. leader. Some have proposed that the annex be upgraded. As a matter of fact, Malaysia fully supports the APEC-initiated trade liberalization policy, and we have even fully supported a free region concept. Malaysia simply opposes their random implementation.

Datuk Sri Rafidah Aziz, minister of international trade and industry, has said that Malaysia will continue to campaign against APEC becoming a consultative forum and will never allow APEC to hold negotiations with its trade partners to liberalize trade, reduce tariffs, or ask for mutuality. The minister who will lead a ministerial delegation to the summit has said that Malaysia's stance on the matter in the Uruguay Round remains unchanged, and we firmly uphold that APEC is not a consultative forum. The delegation will include eight or nine senior government officials, including representatives from the Ministry of Foreign Affairs. According to her, Malaysia will also raise economic and technical cooperation in 13 sectors endorsed by APEC at its previous meetings. She has criticized members for their poor implementation of the programs.

Nevertheless, Dr. Mahathir's readiness to attend the summit reflects Malaysia's continued commitment to the preservation of APEC's prestige as a loose forum and the interests of all its 18 members and is proof of Malaysia's awareness of the need for APEC to operate on its true foundation and not to turn into a horse ridden by Western powers that have lost their prestige in the West and are now trying to deceive Asia-Pacific countries that are emerging as future economic powers.

Minister on Foreign Media Coverage of Politics

BK1311092195 Kuala Lumpur *THE STAR* in English
13 Nov 95

[Report by Azman Awalludin — received via Internet]

[FBIS Transcribed Text] Johor Baru — Malaysians should not view the foreign media as an authority on

local events, especially on the alleged rift between the country's top two leaders.

Information Minister Datuk Mohamed Rahmat said yesterday they should also refer to local leading newspapers and TV networks which know the subject better.

"There is no use in referring to foreign reports as their media are not in the know and make baseless allegations to create disunity in the country.

"The leading local media have been fair in their coverage and should be the basis of all Malaysians, especially Umno [United Malays National Organization] members, to stop such rumours," he told reporters here after chairing the Pulai Umno division meeting here.

He said the support voiced by the supreme council, and the Wanita [Women] and Youth wings for Prime Minister Datuk Sri Dr Mahathir Mohamed and his deputy, Datuk Sri Anwar Ibrahim, was proof that there would be no contest next year.

"The recent division elections where only 37 incumbent division chairmen were replaced is also proof of the party's stability.

"But the foreign media and certain groups within the party who want to strike it rich are still harping on the issue and it is our responsibility to refute such allegations," he added.

He also warned that members who continued to fan such rumours would be referred to the party's disciplinary committee for suspension or expulsion.

Mohamed said the party planned to conduct courses for members to strengthen their spirit and inner strength so that they would not succumb to money politics and other negative influences.

"However, this move, like any other new programmes we plan to carry out, will not work if members have already adopted a negative culture."

Singapore

Malaysian Minister Discusses APEC Disunity

BK0911072795 Kuala Lumpur THE STAR in English
9 Nov 95

[Report by Harjinder Kaur]

[FBIS Transcribed Text] SINGAPORE — Malaysia is not surprised at the disunity in the Asia Pacific Economic Co-operation (Apec) and that some members may seek to leave the forum.

International Trade and Industry Minister Datuk Sri Rafidah Aziz said Malaysia had expected such rumblings to surface for a long time.

She was responding to a statement by Assistant US Trade Representative for Apec Affairs Sandra Kristoff that the forum was fractured over exempting agriculture from future trade reforms.

Kristoff had said that the split was so wide that the group's leaders may fail to come to an agreement when they meet in Japan this month.

She had said that unless the breaches were resolved, there would be a "serious question" about whether some Apec members would even stay.

"Malaysia had foreseen the current rumblings long before they were aired," Rafidah told reporters here on Tuesday.

Daily Warns About Possible APEC Collapse

BK1011070095 Singapore BUSINESS TIMES
in English 10 Nov 95

[Editorial: "APEC Is Too Young To Die" — received via Internet]

[FBIS Transcribed Text] That was a visionary breakthrough. To now break up over just one issue — farm trade — before the Osaka summit next week would be tragic indeed.

Some member-economies find it politically too costly to tell their farmers to face up to foreign competition. But the collective future of 18 economies with a shared vision of free trade should not be held to ransom by a single issue like this, important as it may be to some. APEC [Asia Pacific Economic Cooperation] holds too much promise. It is too young to die. Members' positions would not be irreconcilable if there were some give-and-take.

The Osaka summit is to give substance to the vision of a free trading Asia Pacific region by 2020. In Bogor last year, APEC leaders, led by President Suharto of Indonesia, resolved that the advanced members of APEC would dismantle all trade and investment barriers by 2010 while the developing ones would do so by 2020. The understanding was that the liberalisation process would be comprehensive, covering all sectors. But in the run-up to the Osaka summit, Japan threw a spanner in the works by arguing that members could exclude certain sectors, in particular, farm trade, if they so wished.

That Japan could come to such a conclusion has given some others a good excuse to do likewise. And so we find China, South Korea and Taiwan joining the bandwagon to block the agriculture sector from being prised open to free trade. Because comprehensiveness is a central principle of the Bogor Declaration, the

drive for exclusion, if not overcome, will unravel the underlying consensus of APEC itself. If every other APEC member follows suit, the Bogor Declaration, as Singapore's Prime Minister Goh Chok Tong has said, will certainly fall apart.

For the Osaka summit not to end up as a burial ground of APEC, two things must be done.

First, Japan should accept that its farm sector must one day open up, and it might as well do so within the APEC process, to which Tokyo has committed itself. If it is politically difficult to do so now, Japan can do so later. But come what may, the farm sector, like all other sectors, must be liberalised by 2010.

Secondly, the APEC leaders who come to Osaka next week must be prepared to repeat their performance in Bogor and Seattle. Better yet, if their ministers can end the impasse before the leaders meet. Japan holds the key to the successful outcome of the Osaka summit. If Japan does not lead the way, it could be the cause of APEC's break-up. And it would be a pity if Osaka is remembered as the venue where the disappointment of the century took place.

Lesotho Invited To Establish Trading Relations

MB0911132895 Maseru Radio Lesotho in English
1130 GMT 9 Nov 95

[FBIS Transcribed Text] The government of Singapore has invited Lesotho to establish formal trading relations between the two countries. It is reported from the New Zealand capital, Auckland, that the foreign minister, the Honorable Kelebone Maope, held discussions with the ministers of trade and of foreign affairs of Singapore when he stopped over in Singapore on his way to attend a Commonwealth Heads of Government Meeting in Auckland.

Mr. Maope said although there were no formal bilateral relations between Lesotho and Singapore, the delegations of the two countries would explore possibilities of formalizing trading relations when they met in New Zealand.

Cambodia

'Massive' Logging Concession Given to Indonesia

BK1311061895 Phnom Penh THE CAMBODIA
TIMES in English 29 Oct-4 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Phnom Penh: The Royal Government has approved a massive logging deal with an Indonesian timber company that gives the firm access to large part of the remote, northeastern province of Ratanakiri, government officials said.

The 50-year contract signed in mid-September with the Panin Group will allow the company to fell logs on 1.4 million hectares (3.5 million acres), roughly 15 percent of the Kingdom's remaining forest.

But Chhea Song, Secretary of State for the Ministry of Agriculture and Forestry, said the contract requires the Panin Group to submit a management plan for its logging activities that will make its operation sustainable.

"The concession process requires the company to make a clear inventory which is mentioned in the contract and agreed to by both sides and before they cut or fell any trees they need approval from the ministry," he said.

He said the concession area would be divided into 50 plots and that logging would move from plot to plot each year.

The management and sustainability plan has not been submitted, Chhea Song said, but he added "If they don't follow the contract, they will be stopped."

An official with the Cambodian Investment Board (CIB) told a local daily that the land covered in the concession covers "virtually the entire province" of Ratanakiri and said he was concerned that such a large area would be given to one company.

"A concession of this size...is too big to be going to any individual company," the paper quoted CIB advisor Meng Srumsin as saying.

The contract is the biggest logging contract and the export of felled timber.

Under the terms of the new concession, none of the logs will be allowed to be exported in an unprocessed form, Chhea Song said.

"The government has told them they must make their furniture here so they can only export furniture and not logs," he said.

He said officials from the ministry had already looked at the plans for other Panin Group logging sites and found them to be satisfactory.

"We believe that this will be beneficial for the development of our country," Chhea Song said. "If we don't stop the anarchic cutting of our trees, our forests will be destroyed."

King on 'Fair' Elections, 'One China' Policy

BK1311052695 Phnom Penh THE CAMBODIA
TIMES in English 29 Oct-4 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Phnom Penh: King Norodom Sihanouk has emphasised that for the Kingdom's fragile

democracy to survive, the general elections which is due in 1998 must be free and fair.

His message was read at the first day of a three-day seminar entitled 'Electoral Systems and Administration'. More than 200 provincial and government officials attended the seminar which aims to prepare the country's administration for the elections.

The 72-year-old King also added that to create a true pluralistic democratic system, it was vital that political views opposed to the government's be respected. Last month's grenade attack on a party office where opposition lawmakers were holding a meeting injured more than 30 people, was the first incident since UN-organised elections in May 1993.

US ambassador Charles Twining, one of the senior diplomats at the seminar expressed his fear of political violence as the elections draw near. "I am strongly concerned about the prospect of increased political violence and urge the government to take measures against it. It is vital, that the elections take place in a fair and free environment, and on time and we hope without violence," the ambassador said.

At the closing of the seminar, deputy Prime Minister Sar Kheng said that there should be an independent electoral commission and specific plans to minimise military involvement.

"All armed forces must be put under special assignment, so as to ensure order and security during the election," he said.

He suggested that the election laws should include firm punishment for all acts of violence during the election period.

"Full freedom to establish political parties and equal access to print and electronic media must be highlighted," said Sar Kheng, who is also co-minister of interior.

The deputy PM drew importance on voter education, specially for women and youth, saying the establishment of the electoral districts must be clearly defined.

On challenges in the option of the electoral system to be adopted for the 1997 local election and the national election in 1998, Sar Kheng raised a question whether there should be a majority system or proportional representation system or a mixed system which is based on the number of the people in each constituency.

The UN-sponsored general election in 1993 was conducted through a system of proportional representation in which the winners selected their own representatives for the National Assembly.

One Cambodian People's Party member told THE CAMBODIA TIMES that CPP prefers the majority system for the coming election.

"The majority system practice is very common in most countries in the world," said the member, who asked not to be named.

Second Prime Minister Hun Sen said that the Royal Government is doing whatever it can to get the 1998 National Election off the ground.

"Failure in doing so will not augur well for the development of democracy here," Hun Sen told Gordon Longmuir, Canadian ambassador to the Kingdom in a recent audience here.

He said if political parties were only interested in attacking each other, then the elections would be a disaster.

The Second PM's comment was obviously aimed at the bigger political parties in the government.

"Cambodia's electoral mechanism is still fragile. Disputing for seats will shake the existing mechanism. So, stability must be given priority," he said.

On electoral experiences Hun Sen said he preferred Malaysia's system to Thailand's.

"In Thailand parties attack each other first and join in an alliance at the end of the election while in Malaysia they establish alliances during the pre-and-post election period," he said.

"One would say opposition means democracy, but I understand that alliance is also democracy," he added.

Meanwhile King Sihanouk has strongly condemned moves to boost the country's ties with Taiwan and South Korea.

"For me there is only one China (Peoples' Republic of China) and Taiwan is and will only be a province of China," the King added.

Rangsi Launches Khmer Nation Party Despite Ban

BK1111135695 Phnom Penh REAKSMEI

KAMPUCHEA in Cambodian 11 Nov 95 pp 1, 11

[Report by Kroesna]

[FBIS Translated Text] Although the Interior Ministry has reported that it has not yet been able to decide regarding the creation of the Khmer Nation Party [KNP], an official launching of the party was boldly held at the compound of KNP First Vice Chairman Kong Korm's residence on the morning of 9 November.

The reason the Interior Ministry "was not able to make the decision" was that Sam Rangsi had sent the documents to the ministry on a national holiday and shortly prior to the launching of the party. The ministry did not have enough time to look through the list of the party members and the signatures of the 5,120 members. Moreover, the name list of the party's steering committee members had not yet been submitted, and the party's bank account had not yet been opened.

The Interior Ministry disclosed that it received the documents concerning the launching of Sam Rangsi's KNP at 1800 on 8 November.

The launching of the KNP was also considered to be the party's first congress. The elections of the 31 members of the party steering committee, the 10 members of the party standing committee bureau, and the 360 members of the party national council were approved with applause, not by votes.

The first impressive thing, however, is that Thun Bunli, Dam Sithi, Yoem Sokha (known as Chan Ratana), and Hen Vireak (also called Hen Vipheak), who are respectively the editors in chief of the UDOM KEAKTEH KHMER, MONEAKSEKA CHEAT KHMER, SAMLENG YUVEAKCHON KHMER, and SEREIPHEAP THMEI newspapers, have all been appointed members of the 31-strong steering committee. It is somehow worth noting that only Yoem Sokha has been included in the KNP standing committee bureau and that the name of the WAT PHNOM newspaper editor in chief is not seen among those of the editors.

The second impressive thing is that the position of the party's general secretary has been given to Khieu Dara, who is the current under state secretary of trade. The under state secretary of trade position is part of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party's quota; so, it is unlikely that Khieu Dara will be able to retain this position in the wake of his appointment as KNP general secretary.

According to some watchers, Nguon Soeu appeared to be disappointed about not being appointed to the party general secretary post. He has instead been given the less important position of party vice chairman under Kong Korm.

After the nomination of Hun Sen as the prime minister of the State of Cambodia [SOC], Kong Korm was appointed foreign minister for a short while. Kong Korm was removed from the Foreign Ministry portfolio due to his incompetent handling of foreign affairs. Some people said, however, that he made a mistake while conducting political negotiations; that is, his talks with

Prince Sihanouk failed due to his mediocre knowledge of diplomatic affairs. The fall of Kong Korm as foreign minister was not really impressive at that time. He was somehow then appointed minister of the State Affairs Inspectorate.

Kong Korm has been ignored since the Paris accord was signed. In his speech on the launching of the KNP, he said he had resigned from the Cambodian People's Party [CPP] in 1992, before elections were held. He also harshly attacked the CPP and the Royal Government. Anyway, it is being asked whether Kong Korm's intention to join the KNP ensues from his ideals or from his desire to take revenge for the loss of his position in the past.

As for Nu Beng, a former public health minister and a National Assembly vice chairman, he is ranked 22d within the KNP steering committee, and it is reported he was not present at the KNP's launching. He was known to be an incompetent SOC leader who did not have a decorous private life. So his reputation does not help to enhance the KNP's standing very much.

As of the afternoon of 9 November, despite the Interior Ministry's two notices expressing disagreement with the hasty launching of the KNP, there had not yet been any reaction from the government. No persons authorized to make comments could be contacted due to the 9 November national day and the malfunctioning telephone service in Cambodia. Some reporters have said, however, that the leaders will attempt to make no comment at all.

Khmer Rouge Criticizes Land Sale in Angkor Zone

BK1111120195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 10 Nov 95

[Communique issued by the spokesman of the Provisional Government of National Union and National Salvation on 10 November; place not given — read by announcer]

[FBIS Translated Text] 1. According to a report from Phnom Penh, the two heads, Hun Sen, and Ranariddh have just struck a contract to sell 1,000 hectares of land in the Angkor zone, Siem Reap Province, to an unscrupulous foreign company. The company will build brothels on the land for nasty guys inside and outside the country to gratify their lusts, sow vices, and spread AIDS and all kinds of social diseases.

2. The Provisional Government of National Union and National Salvation [PGNUNS] vehemently condemns and totally and absolutely rejects as null and void the aforementioned criminal and barbaric contract to sell the

nation by the two heads, Hun Sen, Ranariddh, Chea Sim, and Sar Kheng, who are the out-and-out lackeys of the race-exterminating communist Vietnamese aggressors.

3. The communist Vietnamese aggressors and their out-and-out lackeys — the nation-betraying two heads, including Hun Sen, Ranariddh, Chea Sim, and Sar Kheng — have committed the most serious criminal offense by indiscriminately plundering, selling, and destroying the Angkor Wat Temple complex, which is the noble, priceless, and sacred national heritage belonging to the entire Cambodian nation and the people.

UNESCO has also been enraged as the two heads — the ruthless great brigands — have robbed and devastated the temple in such a wholesale manner. It has gone so far as to threaten to exclude the Angkor Wat Temple complex from the world and humanity's list of heritage sites.

4. The Cambodian nation and people reserve their right to carry out all forms of struggles to protect the Angkor Wat Temple and the land and forests in the Angkor zone. This is aimed at preventing, at all costs, the two heads and the unscrupulous foreign company from implementing the contract of selling the nation and the land in the Angkor zone for the construction of brothels.

The nation-betraying two heads must be convicted of their great crimes of eliminating the nation, national civilization, national customs, and national heritage. This crime is the most serious, which the Cambodian nation and people can never condone. The nation and people have no choice but to continue struggling to blow out the brains of the criminal ringleaders—such as Hun Sen, Ranariddh, Chea Sim, and Sar Kheng—with a view to terminating the communist Vietnamese war and instituting a genuinely national government that will resolve all national and social problems and will resolutely defend and preserve forever the nation and people, national civilization, national customs, and national patrimony.

Villainous merchants, who are the international brigands doing business by sucking the blood of the Cambodian nation and people, should shoulder the total and full responsibility for their barbaric crimes.

[Dated] 10 November 1995

[Signed] PGNUNS spokesman

Indonesia

Minister Denies Involvement in Expulsion Issue

BK1011153795 Jakarta ANTARA in Indonesian 1109 GMT 10 Nov 95

[FBIS Translated Excerpt] Jakarta, 10 Nov (ANTARA) — Defense and Security Minister Edi Sudrajat has said his office never asked the immigration authorities to expel a group of "foreign dignitaries" who wanted to visit East Timor to mark the fourth anniversary of the Dili incident.

"It is not true that the security authorities asked the immigration authorities to prevent the foreigners from going to East Timor to mark the 12 November 1991 Dili incident," the minister told ANTARA after attending a ceremony to present awards to former East Timor independence fighters in Jakarta on Friday. The minister said this in response to the assumption that immigration's ban on foreign tourists going to East Timor was imposed at the military's request.

He stressed that in principle the government wants foreign tourists to visit all parts of Indonesia, but they must not undermine security and order.

Commenting on the arrival of the "foreign dignitaries," who deliberately organized their trip to coincide with the fourth anniversary of the Dili incident, the minister said their action was certainly not correct. "This means they want to meddle in another country's affairs," said the former Army chief of staff. He went on to say that the country has laws and regulations that must be upheld and respected. [passage omitted]

Failed 'Peace Pilgrimage' to East Timor Reported

BK1011104095 (Internet) INDONESIA Listserv in English 9 Nov 95

["Press Release" issued by the Asia-Pacific Coalition for East Timor on 9 November; place not given]

[FBIS Transcribed Text] An international peace pilgrimage to East Timor was prevented by Indonesian authorities from proceeding from Bali today.

The group was led by Japanese Bishop Aloisius Nobuo Soma, Honorary Chairperson of the Asia-Pacific Coalition for East Timor (APCET) which initiated the aborted visit. Soma's party included Irish senator David Norris, European Green Party parliamentarian Patricia McKenna, Maori leader Naida Pau, New Zealand Greenpeace leader and Anglican minister Rev. Ann Batten, Australian performer Paul Stewart and Soma's British interpreter. A Japanese journalist tagging along was likewise stopped.

The party was already inside their Garuda flight for Dili this morning when Indonesian officials asked them to deplane. They were told that East Timor was officially closed starting today.

Indonesian authorities have in the past declared that East Timor, which they forcibly annexed in 1975, was open to anyone wishing to visit. They claimed that everything was normal in their "27th province".

But the United Nations has never recognized Indonesian authority over the former Portuguese colony. Only Australia has officially accepted Jakarta's sovereignty in exchange for a joint oil exploration of the Timor Gap that separates the island from the Australian continent.

The peace pilgrimage planned to lay a wreath and pray for the victims of the November 12, 1991 Dili massacre. Almost 300 people were killed in that carnage which the world saw on video.

East Timorese exiles and their supporters all over the world are organizing protest actions and vigils outside Indonesian legations in their respective locales.

They are likewise pressing for the release of all political prisoners in East Timor and Indonesia, the application of all Geneva protocols in the territory and the monitoring of independent international agencies.

Soma's party was planning to rendezvous with an earlier group that succeeded in entering Dili earlier.

Following is Bishop Soma's statement on his failed visit:

Statement on being Denied Entry to Dili, East Timor, by Aloisius Nobuo Soma, Retired Bishop Emeritus of the Diocese of Nagoya, Japan Chairperson, Asia-Pacific Coalition for East Timor (APCET)

I arrived today, November 9, at the Surabaya Airport with the intention to board a flight for Dili, East Timor but was asked to deplane from my Sempati flight at the airport by the Indonesian Government.

I am a Japanese Catholic Bishop and a close friend of the leader of the Catholic Church in East Timor, Bishop Belo. The purpose of my trip to East Timor was to pray for the souls of the victims of the terrible Santa Cruz massacre that took place on November 12, 1991.

According to investigations by respected international human rights organizations, the precious lives of 273 youths were taken by Indonesian troops in this incident. Yet the Indonesian Government has still not revealed the truth about what happened, and to this day we do not know the full reality. Of particular concern is the fact that the bodies of the victims have never been returned to their families, and the youths who went missing after

the incident, almost the same number as those who were killed, are largely still unaccounted for to this day.

Surely, any human being would be naturally moved to mourn such a terrible tragedy that claimed the lives of so many people and to want to offer prayers for them. But as a Catholic Bishop representing many Catholic faithful in Japan, I feel it a duty incumbent upon me to go to the Santa Cruz cemetery and offer prayers there where the actual incident took place.

I hereby express great regret that the carrying out of my work of the Catholic Church has been prevented in this way by the Indonesian Government's deporting me and I hereby protest this action.

Aloisius Nobuo Soma

9 November 1995

DILI Security Checks, Patrols Conducted

*BK1311035495 Jakarta KOMPAS in Indonesian
13 Nov 95 p 1*

[FBIS Translated Text] Dili, KOMPAS — The situation around Dili on Saturday (11 November) and Sunday (12 November) was relatively calm. However, despite this, security personnel conducted checks on driving licenses and other identification documents on every one passing through check points that they manned. Security personnel from the police, the military and the military police also carried out checks on identification documents.

According to an observation made by KOMPAS, similar checks were carried out in the eastern districts of Manatuto, Metanaro, and Hera and the western districts of Motaain, the areas bordering East Nusatenggara and East Timor; Batugede; and Tiban.

A security official said: "We carried out the checks to anticipate the possibility of a demonstration or any other incident that might disrupt public order in connection with the fourth anniversary of the 12 November Dili incident."

Apart from conducting checks on identification documents, a mobile police, military, and plain clothes security team also conducted patrols around Dili and at the Santa Cruz cemetery grounds. KOMPAS observed that no residents came to lay wreaths at the graves.

Spirit of Integration

Meanwhile, East Timor Governor Abilio Jose Osario Soares said the East Timorese community's desire to become an integral part of the Republic of Indonesia has been expressed since 1959, when the people of East

Timor rose up against the Portuguese colonialists. They used the Indonesian red and white flag in their struggle against the Portuguese.

The struggle against the Portuguese colonialists in 1959 by the East Timorese was their effort to free themselves from the Portuguese colonialists and become an integral part of the Republic of Indonesia, which gained its independence in 1945.

Speaking to reporters at the Viqueque District chief-tain's residence on Thursday (9 November), Abilio said: "For me, the 1959 uprising against the Portuguese was the spirit of integration, because such an uprising was aimed at making East Timor an integral part of Indonesia. We definitely accept the fact that those who were involved in the struggle were fighters for integration. However, such a desire only emerged on 17 July 1976 through the Balibo Declaration."

Meanwhile, throngs of East Timorese comprising fighters, social and religious leaders, members of the younger generation, and students witnessed the laying of the corner stone on Friday (10 November) for the construction of a monument in the heart of Viqueque city in memory of the East Timorese community's struggle.

According to Abilio, the monument was originally planned to be constructed in 1977. He said: "No issues were involved in the delay. It is better to be late than never."

Laos

Deputy Prime Minister Khamphoui Leaves for China

BK1011115695 Vientiane KPL in English
0914 GMT 10 Nov 95

[FBIS Transcribed Text] Vientiane, November 10 (KPL) — A high-level economic delegation of the Lao P.D.R. [Lao People's Democratic Republic] led by Vice Prime Minister Khamphoui Keoboulapha arrived in Kunming yesterday, kicking off his one-week long official visit to China.

Khamphoui is scheduled to meet delegations of China's Planning Committee and of the Ministry of Economy and Trade to draw experience in planning system with an aim to accelerate the cooperation between northern Laos and the People's Republic of China.

The trip to China will take the Lao delegation to south China's Shenzhen and east China's Shanghai before visiting Beijing later this month.

Khamphoui, also president of the Planning and Cooperation Committee, is in China as a guest of Chinese

Vice-Premier Zou Jiahua. This is his first visit to this country.

The vice-prime minister, his wife and his party were greeted at the Kunming airport by Liu Jing, vice-governor of Yunnan Province.

The visitors toured an urban scenic site after their arrival.

President Receives Thai Foreign Minister

BK1011133195 Vientiane Vitthayou Hengsat Radio
Network in Lao 1200 GMT 9 Nov 95

[FBIS Translated Text] His Excellency [H.E.] Nouhak Phoumsavan, president of the Lao People's Democratic Republic, received a courtesy call at the Hokham Presidential Palace in Vientiane this morning from a delegation of the Thai-Lao Cooperation Committee led by M.R. [Mom Ratchawong — member of royal family] Kasemsamson Kasemsi, foreign affairs minister and chairman of the committee. The Thai delegation is currently on a visit to Laos to attend a meeting of the cooperation committees of Laos and Thailand. The meeting is scheduled for 8-9 November.

The talks between H.E. President Nouhak Phoumsavan and his excellency the Thai foreign affairs minister proceeded amid an atmosphere of mutual understanding, friendship, and fraternity. The two sides raised issues in relations and cooperation between the two countries for discussion and consideration. They maintained similar views in assessing bilateral relations, pointing out that relations have been increasingly improved, promoted, and expanded.

On this occasion, H.E. President Nouhak Phoumsavan noted that Lao-Thai and Thai-Lao relations have entered a new era following the exchange of visits between the heads of state of the two countries, in particular the visit to the Kingdom of Thailand by his excellency the president himself, during which he was warmly welcomed in an honorable manner by his majesty the king of Thailand.

During the meeting and talks, the two sides reached a good mutual understanding that will serve as a basis for further strengthening relations and cooperation between the governments and peoples of the two nations.

In his conversation with the Thai foreign affairs minister, his excellency the state president also reiterated that the concerned sectors of the two countries must organize further meetings to discuss ways and means to settle the border problem and other remaining problems effectively in accordance with the aspirations and interests of the peoples of Laos and Thailand.

Philippines

Spratlys, Other Accords Signed With SRV

BK1311084895 Manila BUSINESS WORLD
in English 9 Nov 95 p 12

[Report by Paul N. Villegas]

[FBIS Transcribed Text] The Philippines and Vietnam have agreed on a code of conduct that would govern their actions in the disputed Spratly Islands in the South China Sea, the Department of Foreign Affairs yesterday said.

In a report, Foreign Affairs Undersecretary Rodolfo Severino, who led the Philippine delegation in Hanoi during the recently concluded bilateral talks between the Philippines and Vietnam, said both parties have agreed to establish "targets and benchmarks" in settling their disputes in the South China Sea.

"The code of conduct commits both countries to exercise self-restraint, refrain from using force or threat of force and desist from acts that would affect the friendship between (the Philippines and Vietnam) and the stability of the region, even as (both countries) seek a fundamental and long-term solution to the Spratlys dispute," Mr. Severino said.

A joint statement issued by Philippine and Vietnamese senior officials said both countries would support a "gradual and progressive process, based on certain targets and benchmarks, aimed at close cooperation in the Spratlys area and eventual settlement of the disputes."

Both panels stressed that cooperation in the South China Sea should not prejudice existing sovereignty claims.

The Spratlys, believed to sit atop large reserves of oil and gas, are being claimed in whole by China and Vietnam and in part by Brunei, Malaysia, Taiwan, and the Philippines. The disputed islands are described by diplomats and analysts as a potential flashpoint in the region.

Both Manila and Hanoi urged other claimant states to subscribe to the code of conduct.

The Philippines and China agreed on a similar code of behavior in the South China Sea during their bilateral talks in Manila last August.

Mr. Severino and his counterpart Vietnamese Vice-Foreign Minister Vu Khoan, agreed to settle claims in the Spratlys through peaceful negotiations and on the basis of international law, including the United Nations Convention on the Law of the Sea (UNCLOS).

They also agreed to continue consultations on the disputes and undertake confidence building measures

on a multilateral and bilateral basis. They promised to cooperate in the protection and conservation of marine life in the Spratlys and to respect the freedom of navigation and aviation.

The two sides vowed to promote bilateral and multilateral cooperation in environmental protection, navigational safety, marine scientific research, meteorology, disaster mitigation and control, search and rescue operations, prevention of piracy, and marine pollution control.

Apart from the Spratlys issue, both sides agreed to undertake "urgent measures" to repatriate Vietnamese asylum seekers. At present some 2,600 Vietnamese boat people, who were determined to be economic migrants or non-refugees, are still detained in a refugee camp in Palawan. Many of them are still hoping to be repatriated to asylum countries like the United States and Australia.

The two sides also reviewed the implementation of the Comprehensive Plan of Action (CPA), an international agreement that calls for the screening of asylum seekers from the former Indochinese countries. The CPA also calls for the return of the asylum seekers to their countries of origin since they have been found ineligible for refugee status as defined in international conventions. The CPA will end in December 31 this year.

Mr. Severino said one of the measures that could speed up repatriation is Vietnam's commitment to facilitate the issuance of clearances under a memorandum of understanding between Manila and Hanoi.

"Vietnam agreed to send teams to the Philippines to interview Vietnamese asylum seekers who consent to return to Vietnam... Repatriation to Vietnam remains the only durable solution to the problem of the Vietnamese boat people who are still in Palawan," Mr. Severino said.

Apart from the refugee issue, the two panels also agreed to explore ways to address nontraditional security challenges such as the large-scale movement of workers across national borders, the increase of international terrorism, and the trafficking of women and children.

Confident of Vietnam's participation in the Association of Southeast Asian Nations (ASEAN), both sides said they look forward to the success of the 5th ASEAN Summit which will be held in Bangkok, Thailand this December.

Both Manila and Hanoi reiterated their support for the Southeast Asian Nuclear Weapons Free Zone Treaty which they hope will be signed by the grouping's leaders during the December summit.

Vietnam became ASEAN's seventh member during the grouping's ministerial meeting in Brunei last July.

The two panels also recommended the early conclusion of an Agreement on Cooperation in Science and Technology and an Agreement on the Avoidance of Double Taxation and the Prevention of Fiscal Prevention. They also agreed to update their 1978 trade agreement before the end of the year and to expedite the implementation of the Agreement on Cultural Cooperation between them.

On this month's visit of Vietnamese President Le Duc Anh to the Philippines, Mr. Severino and his Vietnamese counterpart began finalizing the details of the state visit, which is expected to strengthen the two countries' bilateral ties and boost economic linkages.

Tight Security Ordered for Subic APEC Meeting

BK1011100195 Manila THE MANILA CHRONICLE in English 8 Nov 95 p 7

[Report by Ernie Reyes]

[FBIS Transcribed Text] Justice Secretary Teofisto Guingona yesterday ordered intensified intelligence gathering and operations against suspected international terrorists in preparation for the Asia-Pacific Economic Cooperation (APEC) meeting next year.

He issued separate directives to National Bureau of Investigation (NBI) chief Mariano Mison and Bureau of Immigration (BID) chief Leandro Verceles.

Guingona said he had directed both Mison and Verceles to watch the movements of suspected international terrorists who slipped into the country posing as tourists and students.

"International terrorists are eyeing a sabotage of the APEC meeting at Subic International Free Port in November 1996. A close watch on the activities of foreign nationals was initiated to prevent international embarrassment," Guingona said.

Guingona said he directed NBI's domestic intelligence service and its Interpol Division to monitor the activities of foreign nationals believed to have links to international terrorists.

He said "with the help of the vast information and intelligence resources of the Interpol, known terrorists will be neutralized and deported immediately."

"In preparation for the APEC meeting next year, the department has issued separate directives to intensify its intelligence gathering in coordination with the intelligence community, to avoid international embarrassment

that will be brought by these terrorists against foreign finance ministers," Guingona said.

Manila will be the venue of APEC leaders meeting in November 1996 to be attended by the heads of 18 member states in the world's most vibrant region.

"For a meeting of that size and importance, intelligence gathering and operations against international terrorists are a must to prevent global outrage if something happens during the meeting," Guingona said.

Last March 1994, 17 Asia-Pacific finance ministers agreed to resume their meeting in Manila. They also adopted guiding principles such as increasing cross-border flow of goods, services, and investments.

Guingona directed the BID to implement stricter immigration policy against Middle East nationals who want to study or tour the country.

"Local ports of entry should be under a tight watch to prevent entry of Islamic militants who may be involved in an alleged plot to assassinate President Ramos," he said.

Immigration and intelligence agents around the country are under orders to double-check the travel documents and identities of all foreigners entering the country.

However, reports said that "most terrorists came from Arab countries who possessed diplomatic passports which make our immigration official hapless in checking their personalities and personal effects."

Earlier, the BID has confirmed that international terrorist groups have slipped into the country to train local terrorists, such as the Abu Sayyaf group in Mindanao, to sow terror and set off bombings during the APEC meeting.

Reports on the presence of international terrorists in the country broke out after a New York court had been told of an alleged plot to assassinate President Ramos during the trial of Ramzi Ahmad Yusuf for bombing of the World Trade Center in New York in December 1993.

The plot allegedly said that Mr. Ramos will be killed if Yusuf's compatriot, Abdul Hakim Murad, who was arrested in Manila last January 7, was not released.

Thailand

Chawalit Reports Improved Ties With Neighbors

BK0411112795 Bangkok *THE NATION* in English
4 Nov 95 p A3

[Unattributed report]

[FBIS Transcribed Text] Previous governments had problems with neighbouring countries but this government has tried to solve them Defence Minister Chawalit Yongchaiyut said yesterday.

Speaking at the government's meet-the-press forum to announce its achievements over the past three months, Chawalit claimed relations with Burma and Cambodia had improved since the Banhan administration took over three months ago.

"What this government has done regarding problems with Burma is now bearing fruit," Chawalit said. "Two days ago, the Burmese government, which had never be willing to negotiate with us, invited our deputy agriculture minister to discuss fishing problems."

Chawalit visited Burma recently amid bilateral tension caused by a controversial massacre of a Burmese crew on a Thai fishing boat.

Chawalit, also deputy prime minister, said efforts to establish a General Border Commission between Thailand and Cambodia had materialized during this government's term.

"Over the past three months we have improved ties with western and eastern neighbours. And in the north, we are continuing to reach out to China.

"My recent visit to Beijing was aimed at studying the opinions of Chinese leaders on the security situation in the region and seeking their cooperation on curbing the arms build-up in the area," Chawalit said.

The defence minister defended the military's arms spending, saying all weapons purchase plans were initiated during the previous government.

"Not a single arms deal has been initiated by this government. Everything we have handled was passed on to us from the previous administration," he said.

He also denied reports that the Banhan government was doing away with the counter-trade policy, which was favoured by the Chuan government for weapons purchases. He said the government was concentrating on something more important — technology transfer.

"When we buy a lot of arms, we will seek conditions on the transfer of technology, such as production technique for certain parts, so that in future we can produce them for export. This is what I have in mind," he said.

On the local front, the military is planning to help solve the flood problem by digging a 100-km canal to divert floodwater into the sea. The canal would be the military's way of honouring HM [His Majesty] the King on the Occasion of his golden jubilee next year, Chawalit said.

Killing of Fishermen Causes Tension With Burma

BK1111115995 Bangkok *THE NATION* in English
11 Nov 95 pp A1, A2

[Unattributed Report]

[FBIS Transcribed Text] Ranong Governor Siri Chawanawirat yesterday urged the Burmese authorities to help arrest 13 Burmese suspects involved in the killing of six Thai fishermen aboard a Thai vessel off the Burmese coast last Sunday.

He urged the Burmese to reply within 10 days to the Thai request, saying that Burma should reciprocate Thailand's previous assistance in arresting the Thai fishermen who killed at least two Burmese co-workers aboard a Thai fishing boat in early August.

Siri said the Burmese attack aboard the Paknamranong 5 has badly shaken Thai fishermen's morale, and that he would not let the victims' deaths be for nothing.

"Even the Burmese considered (the Thai attack on the Burmese fishermen) so serious that they sealed off the border," he said.

"As an administrative official, I will not let their (the Thais') deaths be in vain. At least I will let the world know it is not only Thais hurting Burmese, but Burmese hurting Thais, too. Within 10 days the Burmese authorities will have to tell us why the Thais were killed and where the 13 Burmese (suspects) are," said the governor.

He said he did not understand why the Burmese authorities have made no response to the disturbing incident, particularly as Thai authorities arrested the Thai crewmen involved in the August killings.

"The Burmese must show their sincerity toward the problem. We have shown ours," he said.

However, the governor said the border checkpoint at Ranong would not be closed for the moment. "We will wait to hear from them (the Burmese) first," said the governor after a meeting with officials from other government agencies concerned.

Supreme Commander Gen Wirot Saengsanit yesterday said he believed the incident would not affect ongoing attempts to settle border disputes between the two countries.

He believed the Burmese would agree to resume construction of the Thai-Burmese bridge across the Moei River when Burmese Deputy Prime Minister Maung Maung Khin meets his Thai counterpart, Gen Chawalit Yongchaiyut, next week. The Burmese minister was invited by the Thai government to pay an official five-day visit which begins next Tuesday.

Thailand has sent several high-ranking officials to Rangoon to persuade the Burmese junta to reopen the three border passages with Thailand which have been closed since early this year after several border disputes and incidents. The Burmese also halted construction of the Moei River bridge at that time.

Burma closed Kawthaung crossing with Thailand's southern Ranong province after the killing of two Burmese fishermen, and demanded that Thailand arrest the culprits. While Thailand considered the matter a private-sector crime, the government promptly arrested the Thai suspects in an attempt to improve bilateral relations and convince the Burmese to reopen the frontier.

Fisheries Department Secretary-General, Plotprasop Suratsawat said the incident should be settled following legal procedures, and the Burmese crewmen sent to Thailand's court since the killings occurred on a Thai boat.

He said Thailand had turned over the suspects of the August killings to the Burmese authorities and Rangoon should reciprocate.

However, he suggested a joint-office with absolute authority of middle level officials of the two countries be set up to oversee fishing in both countries' waters.

He said the proposed office could be under a government agency, and pointed out that the joint-office with Vietnam has been successful.

Plotprasop also suggested a joint patrol be launched to ensure security over territorial borders.

The Nawichai and Paknamranong 5 vessels were last week attacked in Burmese territorial waters and six Thai crewmen were killed.

Burmese seamen mutinied last Saturday morning, according to the surviving Thai seaman who jumped overboard the Paknamranong 5 and was rescued by a passing boat. Sophanya Ketwan, 16, reported the incident to Paknam police on Thursday.

He said the 13 Burmese of the total 20 crew members, mounted a mutiny on the boat owned by Somkiat Sae Teo and skippered by Suphon Bamphensi. — Relations between Thailand and Malaysia have been maintained despite Malaysian authorities "excessive use

of force" against a Thai trawler poaching in Malaysian waters, according to Supreme Commander Gen Wirot Saengsanit.

On Monday, a Malaysian navy vessel fired "warning" shots at a Thai trawler fishing in its waters, which killed the captain and a boy on board. It was later discovered that the vessel was riddled with bullet holes.

Army Commander Gen Pramon Phalasin said the incident was treated "too severely" by the Malaysian navy as the boat was only "a small fishing trawler".

Article Examines Regional 'Arms Race'

BK1011100795 Bangkok BANGKOK POST
in English 10 Nov 95 p 5

[Article by Watsana Nanuam: "Economic Growth Fuels Regional Arms Race"]

[FBIS Transcribed Text] Irony has always been a characteristic of human affairs.

Take for example Gen Chawalit Yongchaiyut's expression of concern about the arms race in the region to Chinese Defence Minister Gen Chi Haotian. Only a week before the Thai Defence Minister visited Beijing late last month, American Deputy Assistant Secretary of State Mike Lemmon had expressed the very same concern to Gen Chawalit in Bangkok.

In fact, the whole issue of arms is ironic. Every country in the region is worried about the signs of a growing arms race. They all say they do not want to spend precious national funds in competing with neighbours to buy expensive weapons. Yet when one country buys something, every other country follows suit.

One would have thought that with the end of the Cold War and communist insurgencies in Southeast Asia, there would be less need for countries to buy arms. Not so. Where ideology left off as a cause of conflict, economic interests have stepped in.

Tension over the South China Sea's disputed Spratly Islands — claimed in whole or in part by China, Vietnam, Malaysia, Brunei, the Philippines and Taiwan — and the need for countries to protect their 200-mile exclusive economic zones is fuelling the region's drive to upgrade its weapons.

There is also an increasing need for self-reliance in defence with the near-complete withdrawal of US forces from the region. A second wave of nationalism riding on economic prosperity, culture and religion, and the uncertain phenomenon of China, also combine to threaten regional security.

Arms purchases in Asia have escalated over the past decade. Malaysia, which bought eight F-18 fighter jets last year, is close to concluding an agreement to buy 18 Russian MiG-29s and is also in the market for frigates.

Singapore has strengthened her air force and Indonesia last year bought 39 naval vessels. All countries in the region are also expected to deploy submarines as their stealth and strike weapon by the year 2010.

Thailand is also buying a lot of arms as can be seen in the accompanying diagram [diagram indicates that the Supreme Command is seeking a "military satellite" for 28 billion baht; the Air Force "16 F/A-18 Hornets" for 18 billion baht; the Navy "2 diesel submarines" for 17 billion baht; and the Army "102 2nd-hand M60 A3 tanks" for 1.734 billion baht, "200,000 assault rifles" for "at least 20,000 baht each depending on weapon choice," and "300 armed personnel carriers" for 300 million baht — total cost of this "wish list" is given as 69.034 billion baht]. Some of these are to replace existing weapons which have outlasted their usefulness, such as the Army wanting to buy 102 second-hand M60 A3 tanks, 200,000 assault rifles to replace the M-16 and 300 armoured personnel carriers.

Others, however, are clearly weapons and equipment designed to meet the new security needs such as the Supreme Command's revival of Gen Chawalit's pet project to procure a 28-billion-baht military satellite (which Laos is also contemplating).

The Air Force wants to buy, in addition to its two squadrons of F-16s, another squadron of F-18s. One squadron has 16 planes. And the Navy wants to spend 17 billion baht for two submarines and 2.4 billion baht for two minesweepers in case the conflict over the Spratly Islands results in the closure of the Gulf of Thailand.

Are all these proposed purchases really necessary? After all, they are based on perceived threats, usually derived based on a worse case scenario.

Maybe the military has to operate by assuming the worse possible events, but does it make sense to arm to the teeth for something that may never actually eventuate?

Army Deputy Commander-in-Chief Gen Chettha Thanacharo insists the military is not being extravagant.

He says the Army is operating along the policy lines laid down by its new chief, Gen Pramon Phalasin, by basing its arms procurement on the "need to have" principle rather than "nice to have."

Air Force Chief-of-Staff ACM [Air Chief Marshal] Amon Naeomali also argues that although there are no

large scale wars in the region at present, we cannot be sure of what will happen in the future.

"If we do not prepare now, what will we do if something happens?" he said. "We can't deny that there is still the danger of aggression within the region."

Thailand, he said, is not arming itself out of any aggressive intentions. But she must be confident of her ability to defend her security and national interests.

If countries have a high defence capability, everyone will think twice before bullying them should a conflict arise, he argued.

Naval Operations Department Director-General Rear Admiral Thawisak Somapha voiced the same concern:

"We have to see where our neighbours are already at. They have a lot of weapons and so other countries have to respect them."

He insists that the Navy needs the two submarines in order to protect the country's marine resources given the frequent conflicts over territorial waters.

"Submarines will encourage those with designs against us to treat us with due respect. No-one knows where a submarine is exactly. It's a weapon giving a psychological edge," he said.

Military sources also admit they are watching military developments in Burma, Cambodia and, especially, Vietnam which will be fuelled by their more prosperous economies.

But not all military men necessarily agree. Former supreme commander Gen Saiyut Koetphon, for example, argued recently that with the end of the Cold War, Thai defence policy should be defensive rather than offensive. Any purchase of expensive weapons must be based on its cost and benefit, as well as its necessity.

"If we perceive that there will be war in the next 20 years, the weapons we plan to buy now will be obsolete by then. I foresee no war in the region within the next decade," said Gen Saiyut.

He also underlined the "guns or butter" issue.

"If you want to stress security, you have to give up some development. On the other hand, if you want to stress national development, certain aspects of security have to be given up.

"It's irrational to buy new weapons just to keep up with other countries. We must think why we need new weapons because they are expensive and become obsolete quickly."

Panithan Watthanayakon of Chulalongkon University's Institute of Security and International Studies has also warned that mistrust among ASEAN members about their neighbours' purchase of weapons could be another cause for an arms race. It could even lead to military confrontation in the long term if such scepticism is not rectified.

His picture he paints is not beyond reason given the occasional incidents when warships of neighbouring countries have fired on Thai fishing boats. Because of this, the Thai Navy in the past has ridden shotgun for Thai fishing fleets.

This week two Thai fishermen were killed when a Malaysian vessel fired on their boat for allegedly fishing in Malaysian waters.

With everyone buying offensive weapons, the result could be more and more mistrust and suspicion.

Domestically, the large scale arms purchase proposals since Gen Chawalit Yongchaiyut became defence minister have raised suspicions among the Opposition about commission payments.

They wonder if the New Aspiration Party leader is not raising money to make up for what he spent in the last general election and to pave the way for him to assume the premiership in the future.

But Gen Chawalit dismisses the allegation.

"This is really an unfair view. It's not at all my intention, but I can't stop people thinking that way," he said.

"My aim is to make the country secure and the people rich. We have to prepare because we can't predict the future and weapons are a tool in protecting the nation's interests."

The commanders of the armed forces also frequently argue that there are no kickbacks attached to arms purchases as the selection procedures are handled by committees rather than a single person.

But Dr Panithan says there are only a handful of men involved in the arms buying process.

"For example, in the Army I don't think there are more than 10 men, perhaps only five or six, who are really involved in the weapons buying process," he said.

And with arms purchases being a rather closed process since most deal with sensitive strategic considerations involving our neighbours and national secrets, a lot of room is created for suspicion.

In other democratic countries, the process is much more open to the legislative branch and the public to check and have a say in how taxpayers' money is being spent.

Dr Panithan suggested that arms purchases should be made more transparent because people will always be suspicious given the huge amounts of money involved and the nature of our political system.

"When it's a closed process few people will have the facts. People will suspect anomalies because of the huge amounts of money, which is really theirs."

"The people want to know what these billions of baht are being spent on, why the weapons have to be bought and if they are appropriate. So why not make the process more transparent and get rid of all the allegations?"

Dr Panithan also said the same principle could be applied in neighbouring countries since there are no discussions about arms purchases. Doubts and suspicions abound when we see others buying offensive weapons with devastating power.

ASEAN should start discussing the issue and eliminate some of these concerns. Another way to help allay fears is to issue defence white papers stating defence policies.

"Thailand has already done this, though some may say there was nothing much in it. Malaysia will issue a defence white paper this month," he said.

Hopefully, this is a start in the right direction because the concept of military deterrence can only lead to more and more purchases of arms because we can never feel secure enough.

Effects of Rice Debate at APEC Meeting Viewed

*BK1311094395 Bangkok THE NATION in English
13 Nov 95 pp B1,B2*

[Report by Wichit Chaitrong: "Why Should Japan Allow Rice Imports?"]

[FBIS Transcribed Text] At the Nov 19 Apec summit, the inclusion of rice in the Apec free trade agenda will be debated, and whichever way the decision goes, it will have a huge impact on the world rice trade and especially Thailand, the world's largest rice exporter.

Failure may lead to the collapse of the Osaka summit of the Asia Pacific Economic Cooperation forum, which is entering the crucial stages for tangible trade liberalization. It would also erode the possibility of having a world agricultural product free trade system, especially for rice.

In contrast, a successful conclusion to the negotiations would strengthen Apec cooperation and inject new life into the rice trade both in the Asia Pacific region and the rest of the world following the successful farm deal under the Uruguay Round of multilateral trade talks.

Thailand, the largest rice exporter, stands to benefit from increased rice market liberalization.

To be precise, poor Thai farmers will have the opportunity to sell more rice on world markets.

So far, nations such as Japan, China, South Korea and Taiwan have been opposed to any attempts to include agricultural products in the Apec liberalization programme.

Even among Asean itself, Indonesia and Malaysia have yet to take a stand on the issue. The Philippines, meanwhile, has already indicated it will back Japan's position for special treatment for agricultural products. During the recent Asean economic ministerial meeting, the three Asean countries implied they were not ready to open their rice markets under the Asean Free Trade Area (Afta) agreement.

Japan, the host country, is the major stumbling block to increased liberalization. If Japan compromises, it is likely that China, South Korea and Taiwan will follow suit.

So far, Japan is still sticking to its position of excluding rice from the Apec free trade agenda.

Japan has said the rice market is a sensitive issue for the country, and that it needs to be protected.

At the Asean-Japan economic ministerial meeting in Brunei in September, Ryutaro Hashimoto, Japan's International Trade and Industry minister, said that trade liberalization could not be achieved if countries attack each other's weakest points, which in Japan's case is rice.

Japan and other countries obviously believe Thailand has the ability to increase its rice production the most out of all of them.

Japanese, South Korean and Indonesia politicians and farmers may see Thai rice as a major threat to their survival.

But, alas, the situation is that farmers' incomes in Thailand are 12 times lower than those working in other industries. Many are burdened with debt and are forced to send their children to find work in big cities such as Bangkok.

Thai farmers' standards of living cannot be compared to those of farmers in Japan, South Korea, the United States or Australia.

Cheap prices come at the expense of farmers welfare, and many farmers' incomes are supplemented from money earned by family members working in the industrial or service sectors.

Although Thai farmers are very poor, they still need to buy equipment to continue their businesses.

Foreign goods, particularly those from Japan, are flooding the Thai market, and Thai farmers' belongings, ranging from radios to trucks, are mainly Japanese brands.

Exported rice is also not an exclusive product of home-grown resources, because farmers have to buy fertilizer, pesticides, and equipment from abroad.

Obviously, Thai farmers don't discriminate against imported goods even though our own farm products hardly even have a presence in our trading partners' markets, especially Japan's.

Moreover, Thailand's trade deficit with Japan has been continuing now for two decades, and last year accounted for 96 percent of the total amount, or Bt[baht]219 billion out of the total deficit of Bt231 billion.

Sure, we want Japan to liberalize its rice market but Thailand as a small country cannot put pressure on Japan as the United States can.

To understand the Japanese situation, Japanese farmers have been protected for 50 years since the end of World War II, and a liberalized market would mean their livelihoods would be threatened.

Apart from the local rice-consuming culture, Japanese consumers often feel obliged to buy local rice even though the price is very high compared to imported varieties.

To relieve Japanese worries, rice market liberalization could be carried out on a gradual basis but the eventual target should be higher than the level proposed under the General Agreement on Tariffs and Trade (Gatt). This is because under Gatt, Japan this year is only required to import 379,000 tonnes of rice, equivalent to four percent of annual domestic consumption, a very small amount indeed.

The reason why the Japanese market should be liberalized beyond the Gatt requirements is simple.

For instance, Thai people who visit Japan often eat at Thai restaurants. An official estimate shows there are about 300 Thai restaurants in Japan.

In reality, foreigners are the ones who prefer to eat imported rice. The targets for rice imports are not the Japanese people themselves.

Although imported rice is available, a majority of Japanese still favour the Japonica-rice variety, a short grain rice.

So Japanese farmers should not worry that imported rice will gain a bigger share of the Japanese market.

Editorial Favors Money-Laundering Bill, Debate*BK0511141095 Bangkok THE SUNDAY POST
in English 5 Nov 95 p 22*

[Editorial: "Money Laundering: Time to Stop Looking the Other Way"]

[FBIS Transcribed Text] The question of money laundering has become a hot topic again in recent weeks. A speech to the United Nations by US President Bill Clinton called for a world-wide effort against crime, and specifically mentioned money laundering as a chief target of the proposal. Here in Thailand, officials rediscovered the subject of criminals using our economy as part of their attempts to make crime pay. The government hastily moved the two-year-old money-laundering bill up the Parliamentary agenda for quick consideration.

In the two years since then-premier Chuan Likphai first introduced a proposal to ban money laundering, wide agreement has been reached. The Office of Narcotics Control Board (ONCB) was somewhat hesitant to ask for such a law. Thai tradition and practice has long supported secrecy for citizens dealing with banks and other financial institutions. It came as something of a surprise when bankers and other businessmen voiced strong support for measures against money laundering. Voices against it have been few and far between.

There are two major reasons Thailand should have a law, and strict enforcement, against money laundering. The first is for our own interest. We must combat criminals such as drugs traffickers, smugglers and suppliers of innocent flesh to the sex trade. These activities have a major and corrupting influence. They send harmful ripples and waves throughout our society. It is no secret that some of our law enforcement officials have succumbed to the temptation of the money they are offered by criminal gangs to "look the other way".

Thailand has virtually wiped out heroin production, but remains a major smuggling route. And the ever-growing prosperity of Thailand has made the nation a target of drug traffickers. They have targeted our youth and made many of our citizens drug addicts. At the same time, they have discovered the excellent services in our economy. To continue their efforts to expand their drugs trafficking, they use our banks, our shops, our markets. Our entire economic infrastructure has been placed at the mercy of the huge profits made from crimes like international drug smuggling.

Which raises the second reason Thailand must get more serious about money laundering and the fight against it. Our country is part of a world community. We have a responsibility to other civilised nations to help

in the international effort against criminal activities. Today's criminal gangs move their blood-stained money across international borders with impunity. One way to halt the moral and harmful haemorrhaging caused by criminals is to hit them where it hurts the most in their pocketbooks.

The image of Thailand on the world stage is important to all Thai citizens. Even more important is that Thailand be seen to be doing the right thing, in concert with other nations. More than 100 members of the United Nations have ratified the 1988 UN convention on money laundering. Virtually every affected country in the world has enacted laws against money laundering. Our country is one of a small number of nations which has not moved forward. Thailand's long-standing and excellent image as a nation committed to combating drugs trafficking may be at risk in case of more delay.

Time is running out for Thailand on this issue, a point the Prime Minister and the Cabinet seem to appreciate. It is true the country needed time to study the type of laws to enact against money laundering. It also is understandable that a government crisis, and subsequent election, caused a delay. Mr Chuan had the law against money laundering near the top of his priority list when his government fell. Now, Mr Banhan has rightly brought it back, and placed it near the top of the pile for Parliament.

This is an important matter, and deserves a full hearing and public debate. The government is duty-bound to avoid ramming the new law through Parliament. But it is equally bound to bring it to the floor for debate and passage. After two years, it is clear there is wide and non-partisan support for this law, from the Thai Bankers Association to the man in the street. Parliament must consider the issue seriously, but it must consider it soon.

Wattana Supports Bill Against Money Laundering*BK0811033095 Bangkok THE NATION in English
8 Nov 95 p 2*

[Unattributed report]

[FBIS Transcribed Text] Chat Thai deputy leader Wattana Atsawahem said yesterday he would support an anti-money-laundering law.

"I would definitely vote in Parliament for a bill against money laundering," said the Samut Prakan MP, who has been accused by the United States authorities of having links to drug traffickers.

Wattana claimed that he had proposed that there be a law against money laundering when he was a Cabinet member in the Chatchai Chunhawan administration.

The Banhan government is now drafting an anti-money-laundering bill.

He dismissed the U.S. accusation against him and said he had always been ready to clear himself. He said he was being bullied politically by a politician who smokes a pipe and is a columnist for a Thai-language newspaper.

It was apparent that Watthana was referring to former Foreign Minister Prasong Sunsiri, who smokes a pipe and writes regularly for NEAO NA.

Prasong last year said in a parliamentary meeting that Watthana was denied an entry visa to the United States because of his suspected links to narcotics traffickers.

The U.S. Embassy in Bangkok later issued a statement saying that Watthana requested a visa and was refused because 'Washington had reason to believe that he had a connection to the drug trade.

Watthana was denied a Cabinet seat in the Banhan government because of the allegation. Prime Minister Banhan Sinlapa-acha has promised to give Watthana a portfolio when he clears his name.

The government has set up a commission of inquiry, chaired by former Foreign Minister Thanat Khoman, to look into U.S. drug charges against Thai politicians.

Government Concentrating on 'Smooth Transition'

BK0411113295 Bangkok THE NATION in English
4 Nov 95 p A3

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha admitted yesterday that his government has spent its first three months in office ensuring a smooth transition and the continuity of policies initiated by the previous administration.

The prime minister said the present government would start implementing its own policies after the House of Representatives finished scrutinizing the 1996 Budget Bill, when government agencies could start spending their funds.

"No, this is not a press conference to discuss the government's achievements. No concrete achievements can be made in the short period of three months," Banhan said.

He said the government's most evident success so far was its ability to sort out policies initiated by the previous government to be adopted by the new administration.

Banhan said the government had inherited from its predecessors the preparations for celebrations marking the 50th anniversary of the ascension to the throne

of His Majesty the King; preparations for the SEA [Southeast Asian] Games and Asian Games and for the Worldtech exhibition, but also the problems regarding the major telephone expansion projects.

"We are doing our best to carry them (preparations and policies) out to ensure smooth transition and continuity of work," the prime minister said.

He said his government had also been trying to resolve problems related to the controversial land reform programme and claimants of land in national forest reserves.

Banhan also promised to redouble efforts to ensure Bangkok has adequate mass transit systems such as the elevated rail system and underground train.

Banhan also listed issues that are being given priority by his government, mentioning the crackdown on drugs, border dispute with Burma and cement shortage in the southern region.

The prime minister considered as new ideas initiated by his government the new approaches to tackle Bangkok's traffic woes, proposed political reform and the reactivating of a public-private coordination committee to make decisions on economic matters.

He said the government was also trying its best to relieve the hardship to millions of flood victims in all parts of the country.

Banhan said to ensure government efficiency in handling the problems facing the country, he had clearly delineated the scope and responsibility of each of his five deputy prime ministers.

He said Gen Chawalit Yongchaiyut is in charge of national security and defence, Thaksin Chinnawat controls Bangkok city traffic management, Samak Sunthorawet controls management of traffic in areas surrounding Bangkok, Bunphan Khaewatthana takes care of agriculture and Amnuai Wirawan is in charge of foreign and economic affairs.

"Every one of us has been working very hard. We know what is expected of us. We never take days off, not even Saturdays or Sundays," the prime minister said.

Banhan said members of his Cabinet would take into consideration public criticism of the government's handling of the country's problems to better serve the people.

"But most of the country's problems simply can't be solved in a few months' time," the prime minister said.

Foreign Minister Kasemsamson Profiled
BK1311055595 Bangkok BANGKOK POST
in English 4 Nov 95 p 4

["NEWSMAKER" column by Nattaya Chetchotirot:
"Kasemsamson Wins Public Backing But Needs To
Raise His Profile"]

[FBIS Transcribed Text] The government of Banhan Sinlapa-acha has come in for some heavy criticism, but somehow M.R. Kasemsamson Kasemsi, the foreign minister and a former career diplomat, has managed to survive largely unscathed.

This may be in large part because he is the only minister recognised by the media and academics for his qualifications.

A recent Suan Dusit Poll, which surveyed the opinions of 5,977 respondents in Bangkok and nearby provinces, found M.R. Kasemsamson to be one of the few able ministers whom the public felt should remain in office.

Even though he lost in its effort to be elected in the July 2 general election, M.R. Kasemsamson was appointed by the Nam Thai Party to take the foreign affairs portfolio on its behalf.

High-profile social critic Sulak Siwarak said soon afterwards M.R. Kasemsamson was very well qualified and would not disappoint the country as foreign minister.

Such words of praise appear not to sit well with the minister for fear he will win the disdain of other Cabinet members.

After all, he failed to win the endorsement of the electorate, allowing critics to question the meaning of elections if a candidate can be rejected by voters and still be appointed a minister.

His close aides say M.R. Kasemsamson has deep foresight, which sometimes distances him from others in terms of understanding.

Over the past three months in office, he has been the target of heavy criticism from his own party members for not having accomplished anything.

He has been blamed for not winning the Nam Thai Party public recognition after the party gave him their backing despite his election failure.

Nam Thai has 17 seats in the House, three of them cabinet positions going to party leader Amnuai Wirawan, secretary-general Sonchai Montrawat and M.R. Kasemsamson.

Although he is accepted by most Foreign Ministry bureaucrats due to his wealth of experience, M.R.

Kasemsamson has been uncomfortable because of the sniping within his own party.

Several Nam Thai MPs have been putting pressure on the party leader to sack the veteran diplomat.

Mr Amnuai has also been asked to lobby Mr Banhan for the finance portfolio to replace Surakiat Sathianthai, a non-MP appointed under the Chat Thai quota.

The proponents argue that the party would be able to play a major role in the Banhan Cabinet given these two portfolios.

A senior member of the party said Mr Amnuai has no plans to ignore these calls, but realises it will not be easy in pushing them through.

In the past the party leader has defended M.R. Kasemsamson and believes he has done a good job.

The minister himself has said: "My performance cannot be measured in kilogrammes or even grammes. I am trying my best to promote the recognition of Thailand among the world community."

Heading the Foreign Ministry is a high-profile position, he said, whereas the profits are low. He said this might be one reason why he was given the post.

Some senior bureaucrats with the Foreign Ministry reportedly have advised M.R. Kasemsamson to focus more on making a name for himself among the general public.

"We don't understand why our minister is not popular. The problem might stem from the lack of publicity for his work at the ministry, and we will have to change this," said one senior official with the ministry.

Only through improving his public image can M.R. Kasemsamson hope to ward off the attacks by party MPs.

Most Nam Thai MPs are from the provinces and almost half are new to politics. Many want to see better coordination between the Foreign Ministry and the private sector so they can support each other's overseas activities.

But some officials fear this could only tarnish the image of the minister.

M.R. Kasemsamson, although having an aristocratic background, proved himself down to earth when he first held a ministerial post, as a Prime Minister's Office minister under Anan Panyarachun, in 1991. He was also appointed to Mr Anan's second cabinet, as deputy prime minister, in 1992.

It was these roles which first really brought the former diplomat to the attention of the media and thus the public.

"I know you can't cling onto a portfolio, and I have never lobbied anybody to win this position," said M.R. Kasemsamoson.

Over the past few years there have been a number of changes in the foreign minister, with some lasting in office for only three to four months.

"Any change depends on the future. Nobody knows. Even I am still unsure whether I will remain in office," said M.R. Kasemsamoson.

"This is what I have told my foreign counterparts when asked about this matter."

M.R. Kasemsamoson was born on March 9, 1930 and educated, successively, at Rachini School, Amnuaisin School and Wachirawut Witthayalai.

He later on pursued his high school studies at Geelong Church of England Grammar School in Australia.

He graduated with an honours degree in economics from Cambridge University in England before joining the Foreign Ministry in 1965, where he reached the position of permanent secretary in 1980.

He held a rich variety of positions with the ministry including acting ambassador to Ottawa, Canada, director of the Southeast Asian Treaty Organisation, adviser to the embassy in London, and ambassador to Indonesia, China and North Korea respectively. He also served as ASEAN secretary-general, director-general of the Political Affairs Department, and, ambassador to the United States and Jamaica in 1982. He returned as permanent secretary in 1986.

The veteran diplomat resigned from government service in March 1991 to take up the post of minister in the Anan I and II administrations.

He assumed the post of foreign minister in the Banhan Government on July 20 this year.

His long civil service career and experience in international affairs mean that M.R. Kasemsamoson, who was the youngest official to be appointed permanent secretary for foreign affairs, shows little concern about the criticism directed against him.

"Some consider me a man from the 'Stone Age', but I don't care what they say," he has said.

He also said he was not worried about the ASEAN summit planned for Thailand on December 14-15.

The seven ASEAN members Thailand, Singapore, Malaysia, Indonesia, the Philippines, Brunei and Viet-

nam will be attending the meeting along with Burma, Laos and Cambodia, who were invited by Thailand to observe the talks on December 15.

M.R. Kasemsamoson expects the three observer countries to become ASEAN members soon as existing members believe this will strengthen the association's voice and give it more bargaining power in the world community.

Despite being criticised for being "inactive" in foreign affairs, M.R. Kasemsamoson was the only ASEAN foreign minister to seek the condemnation of France for its nuclear tests in the South Pacific. He called on fellow ASEAN members to use the word "condemn" in stead Of "deplore" in their joint statement protesting the nuclear tests.

He also proposed in Cabinet that the statement condemning France be issued in the name of the Thai Government, not just the Foreign Ministry.

"Deputy Premier Samak Sunthorawet praised me for this proposal," describing it as a just and courageous act by delivering the statement on behalf of the Thai Government," said the Foreign Minister.

Anti-nuclear protesters have gone much further by calling for a ban on French products, but the foreign minister said he did not support this idea.

"A woman reporter once asked me about a ban on French products and I jokingly replied her boyfriend may not remember her scent if she stopped using French perfume and lipstick," he said, adding the protest should not be against innocent French people.

M.R. Kasemsamoson has also played a key role in engineering and administering the Malaysia-Thailand Joint Authority handling the gas venture project in the Gulf of Thailand.

The venture, which is considered very successful by giving both countries the same benefits from the exploration of resources in the area, could earn Thailand up to U.S. \$1,500 million a year.

M.R. Kasemsamoson may not be a high-profile minister, he may tend to be more bureaucratic than fellow members of the Cabinet or his predecessors, but the jury is still out and there remains time for him to win over the hearts of the people.

BOT Reinstates Strict Institutional Oversight

*BK0411133095 Bangkok THAILAND TIMES
in English 4 Nov 95 p B1*

[Unattributed report]

[FBIS Transcribed Text] Bangkok — The Bank of Thailand (BOT) will again use strict measures to supervise the operation of financial institutions in order to prevent damage caused by management risk.

BOT Governor Wichit Suphinit said that financial institutions should qualitatively grow, and they should meet their targets in terms of credit growth and service to customers for example.

However, last year, commercial banks as a whole grew by over 23 percent, and 29-30 percent this year. Finance firms' growth is much higher than those in other countries, he said.

Financial institutions and commercial banks, he said, had a loan to deposit ratio of 140 percent as they brought in a huge amount of foreign capital due to the shortage of local savings.

"A large amount of foreign capital brought in the country causes risks to the money market during a volatile situation in foreign exchange," he said.

Wichit said that some institutions pay too much to efficient executives during high economic expansion, but companies will be burdened with such high salaries when the economy slows down.

When asked about the growth of credit extended this year, he said that the central bank tries to control credit distribution so it doesn't go over 24-25 percent.

"Higher credit extensions will worsen inflationary pressure. Control of credit growth will prevent risks stemmed by the volatile foreign exchange, and slow down the inflow of foreign capital," he said.

Presently, he said that the source of funds other than capital inflows are borrowings through the interbank market.

The new sources of funds which will help support the present source are the bond market, mutual funds and the insurance market, he said.

Wichit said that the central bank will disclose the adjustment of its targeted economic figures in December as it wants to see the result of replantation after floods, and the quantity of farm products.

He said that the high lending rate does not affect the economic situation because credit growth is still high.

The deposit interest rate this year has expanded by 35 percent while the growth of the lending rate was much less than that of the deposit rates," Wichit said.

The BOT Governor said that this year the central bank has launched many measures to slow down the increase in the interest rate unless the local interest rates will be higher than at present.

Thailand's loan to deposit ratio is much different from that of other countries. Malaysia's ratio is about 85 percent while Thailand's stands at over 130 percent.

The credit growth of other countries in the region is about 15-16 percent, which is much higher than Thailand's, he said.

Vietnam**U.S. Transportation Secretary's Visit Viewed**

*BK1111112195 Hanoi Voice of Vietnam in English
1000 GMT 10 Nov 95*

[Station Commentary]

[FBIS Transcribed Text] The United States Secretary of Transportation Federico Pena has expressed the desire to do long-term business in Vietnam, especially in infrastructure construction. Here is our radio's opinion.

The wish of the United States transportation secretary is also that of many American businessmen. In his visit to Vietnam late last month, Mr. William Sullivan, chairman of the United State-Vietnam Trade Council, made a clear explanation on why American businessmen wanted to do business in Vietnam. Vietnam, he said, was capable of making lower price product, even lower than China, to enter the American market. Vietnam has been attracting more and more foreign investment with its abundant cheap labor force. It is predicted that in five to 10 years time, foreign investment in Vietnam will increase rapidly, and the United States wants to become Vietnam's trading partner.

The visit to Vietnam by the United States Secretary of Transportation Federico Pena is also to serve this aim. The visit is an opportunity to study projects of cooperation in aviation, navigation, railway, motor road construction, and sea port. That is where Vietnam needs foreign investment for development. By cooperating and investing in Vietnam, American businessmen will have opportunities to understand more about Vietnam, its land and people. Now that the war is over, Vietnam has the only wish to rebuild the country, and it is prepared to cooperate with all nations worldwide on the principles of equality, mutual respect for each other sovereignty and independence, and for mutual benefit. This is Vietnam's unchanged policy in economic cooperation with

other countries. Many foreigners including Americans realized that Vietnam is a country, not a war.

Former United States Defense Secretary Robert McNamara, an architect of the Vietnam war who is now on a visit to Vietnam, also recognized this fact.

Visiting British Trade Minister Discusses Ties

BK1311141195 Hanoi Voice of Vietnam in English
1000 GMT 8 Nov 95

[FBIS Transcribed Text] The British Minister for Trade and Industry, Lord Fraser, held a press conference in Hanoi on Tuesday morning during his official visit to Vietnam.

Lord Fraser is accompanied by high-ranking ministry officials and about 20 business people. They represent leading British companies and groups in banking, construction, transport, and energy industries. Some, such as Standard Chartered, are already operating in Vietnam, others seek to invest in the development of Vietnam. Bilateral trade ties are looming large in several areas between Vietnam and the UK.

Mr. Fraser said many British companies wanted to join major projects in Vietnam.

[Begin Lord Fraser recording] If you take British investment coming direct from Britain, coming through Hong Kong, and then through British Virgin Islands and Singapore, we're probably the largest single investors. We will continue to encourage British companies to invest here. Some of my delegation wanted to become involved in, for example, one company called [name indistinct] and wanted to try to bring into Hanoi or Ho Chi Minh City one of the most sophisticated traffic management systems in the world. [Words indistinct] is very interested in developing a coastal radio system. Others want to build buses here for use in Vietnam and also for export. Others from a big company [name indistinct] are beating the bushes to bid for a very important redevelopment of the airport at Ho Chi Minh. [end recording]

Mr. Fraser said the British Government has a policy of helping companies make their own decisions as soon as possible, apart from a policy of investment protection. Last year, British-Vietnamese trade value was \$100 million. Britain objected to EU reduction of quota for import of garments and textile into the EU market, which affected Vietnam.

Mr. Fraser is confident that the normalization of diplomatic relations between Vietnam and the United States would not affect UK business in Vietnam.

[Begin Lord Fraser recording] As to it, we welcome, the United Kingdom Government welcomes, warmly welcomes, the normalization of relations with the United States and, as I said, we recognize the [words indistinct] application to join the government's [words indistinct] organization and we will help, if we can, on that.

With the development of American investment, British companies will have to try harder. But we're used to it; we compete with American companies all over the world, and we'll compete with them in Vietnam. [end recording]

During his stay in Vietnam, Lord Fraser was received by Prime Minister Vo Van Kiet. He also had working sessions with the Ministry of Planning and Investment, Trade, and Vietnam Airlines. He visited some British offices and Vietnam-UK joint ventures and met British investors and business people in Vietnam.

External Political, Economic Activities Viewed

BK1111140295 Hanoi Voice of Vietnam in English
1000 GMT 10 Nov 95

[From "Talk of the Week" feature]

[FBIS Transcribed Text] Socioeconomic development in 1995 and in the period of 1991-95 is inseparable from achievements in the external political and economic activities of the Vietnamese party and state. It was stated in the report delivered by Prime Minister Vo Van Kiet at the recent eighth session of the Ninth National Assembly in Hanoi. The priority of the foreign policy has been to promote friendly relations and cooperation with neighboring countries and other countries in Southeast Asia and the Asia Pacific region. The Vietnamese Government has also been busy promoting relations with the rest of the world. It has meant that over the past few years, Vietnam external economic relations have broadened. Vietnam has not only been able to overcome of consequences of loosing its traditional markets, and the end of financial assistance from the former Soviet Union and Eastern European countries. It has also broadened its market and increase its export-import values and investment. Vietnam has received efficient development assistance and technical assistance from many countries. Vietnam now has relations with 160 countries, and many international financial organizations. Vietnam is doing business with over 100 countries or territories, and over 40 countries are now investing in Vietnam. And Vietnam is preparing its five-year plan for the 1996-2000 period while the rest of Southeast Asia is developing positively and rapidly. Vietnam is a member of ASEAN, and is preparing to join the World Trade Organization and APEC, or Asia Pacific Economic Council. These

activities will help Vietnam to develop its economy and broaden its market.

The foreign policy of Vietnam in the coming five-year plan will focus on the stable development of relations with neighboring countries, and with other nations and major international economic and political centers. It will participate in all regional and international organizations that contributing to the world cause for peace, national independence, democracy, and social progress.

'New' Foreign Relations Policy Examined

MS1311100395 London FINANCIAL TIMES
in English 13 Nov 95

[Report by Kieran Cooke, including remarks by foreign minister, Nguyen Manh Cam; from the financial times survey on Vietnam]

[FBIS Transcribed Text] Events have been moving at a brisk pace on Vietnam's foreign policy front recently. "Our country has expanded relations with the world at a rate faster than at any period in our history," says Nguyen Manh Cam, the foreign minister.

This year saw three main breakthroughs. After years of argument over the missing in action issue, Washington finally agreed to normalise its diplomatic relations with Hanoi. Vietnam also concluded a substantial agreement with the European Union, paving the way for an expansion in trading relations.

However the foreign policy event that promised to be of more immediate significance took place in July when Vietnam became the seventh member of the Association of South East Asian Nations (Asean). A Vietnamese official attending the simple ceremony at an Asean meeting in Brunei summed up the prevailing mood among the Vietnamese delegation.

"We have joined one of the world's most successful clubs. It is a great day for us."

The event was not without irony. Asean was formed in the late 1960s — at the height of the Vietnam war — mainly to counteract what was seen as a growing communist threat in the region. For many years Asean led the diplomatic offensive at the UN and elsewhere against Vietnam's occupation of Cambodia.

Vietnam withdrew its last troops from Cambodia some time ago — but it is still a communist run country, although few would now perceive it as threat to southeast Asia's stability.

Asean membership has several benefits for Vietnam. Most importantly, after years of virtual diplomatic and economic isolation, Hanoi has joined the mainstream.

Asean encompasses some of the world's most dynamic economies. The organisation's economic strength is being matched by growing political influence. Alone, Vietnam would struggle to have its voice heard on the world stage. As an Asean member it will have considerably more clout in international affairs.

For most of its history China, rather than more recent enemies such as France and the US, has been seen as the greatest threat to Vietnam's independence. Relations between Beijing and Hanoi have improved in recent years. China has become one of Vietnam's biggest trading partners with total official trade expected to reach \$1bn this year, up from \$270m in 1992.

But Hanoi remains deeply suspicious of Beijing. Vietnam's last military engagement with China took place as recently as in 1979. Rival claims to islands in what Vietnam calls the Eastern Sea (rather than the South China Sea) could result in conflict. Beijing wants to settle various rival claims in the area through bilateral negotiations. Vietnam now insists that such issues should be handled through Asean. "This is not just an issue between us and China," says Vo Van Kiet, the prime minister. "It is a matter for the whole region."

Membership of Asean also carries considerable potential economic benefits. The fast developing countries of Asean have the capital resources for investment overseas. Already Singapore is one of the biggest investors in Vietnam. Intra-Asean trade is expanding fast and Vietnam's exporters are already exploiting the potential of the large market on their doorstep. According to official figures, about 30 per cent of Vietnam's total trade now takes place with Asean. "We are not talking about assistance," says Vu Khoan, vice-minister at the ministry of foreign affairs. "We are talking about co-operation. Joining Asean, we have a greater chance to expand our market."

But Asean also poses considerable challenges. Vietnam is the organisation's poorest member. Its economy is the least developed. Under the Asean free trade agreement (Afta), the organisation plans to abolish most trade tariffs by the year 2003 — possibly by 2000.

While Vietnam has been given until 2006 to conform to the Afta proposals, there is a great deal of scepticism about whether the country will be able to make such adjustments. Vietnamese fear their economy might be swamped by richer, more advanced neighbours. Per capita income in Vietnam is only about \$220. In Singapore the figure is \$22,000.

While Asean has welcomed Vietnam's membership, there are private concerns that Hanoi might not be ready to make, the sort of negotiating compromises

common within the organisation. "Vietnam is a tough negotiator and a fierce defender of its interests," says a Hanoi diplomat. "Asean will find Vietnam is no easy pushover."

Disputes are also likely to erupt with fellow Asean members. Vietnamese and Thai fishing boats have been fighting over fishing rights in waters surrounding their countries. Vietnamese traders are up in arms about increased port charges in Singapore — the main transshipment point for Vietnam's exports.

Trade is the driving force behind relations with other countries in the region. Taiwan and South Korea continue to be the largest investors in Vietnam. Australia has put a great deal of effort into establishing extensive economic links.

The euphoria surrounding the normalisation of relations with the US has quickly faded. US investors have not rushed in to Vietnam. Hanoi has privately voiced its displeasure about Washington's stress on human rights. Vietnam might want more relations with the outside world but its government still wishes to keep what it regards as its own affairs hidden from the prying eyes of foreigners.

For Hanoi the next step is to gain Most Favoured Nation status from the US, which would enhance trade considerably. Vietnam says such recognition is still some way off, as is membership of the World Trade Organisation and the Asia Pacific Economic Conference.

Mr Cam, the foreign minister, says Vietnam has achieved a great deal. It must become used to its new set of relationships. "Now it is time to deepen our new foreign relations with countries and international organisations, to grasp opportunities and accelerate Vietnam's development."

Warning Against Leaks of National Secrets Noted

*BK1311124795 Hanoi QUAN DOI NHAN DAN
in Vietnamese 21 Oct 95 p 7*

[Article by Pham Quoc Huynh: "Be Vigilant Against the Dark Schemes of Foreign Intelligence Agencies To Get Vietnam's National Secrets"]

[FBIS Translated Text] In the national liberation war in the past as well as in the current process of economic building and development, the task of safeguarding national secrets has always constituted one of the important factors for making the revolution a success. On the military front, it was very important for us to prevent leaks of information on our numerical strength, war resources, combat plans, and strategies and tactics in order to defeat the enemy in each battle and each

military campaign and bring the war to a successful end. There is a very strong need to safeguard state secrets on the political, diplomatic, and economic fronts. With regard to relations among nations, each country needs to know about the presence of other countries and tries by all means to safeguard its national secrets. This is a natural law governing relations among nations. Many countries have set up very large and modern intelligence networks worldwide and spent billions of dollars to have access to the classified documents of other countries.

In recent years, the renovation undertaking in our country has recorded initial yet very important achievements. The economic growth rate is high and the political and social situations are stable. These achievements must be attributed in part to the efforts of our cadres and people to safeguard national secrets. Nonetheless, leaks of secret documents have reached a considerably serious level in many branches and at different echelons. Though these leaks have taken different forms, they were all caused by violations of the regulations governing working relations and contacts with foreign nationals, the supply of documents and samples to foreign countries, working sessions, seminars, conferences, and the signing of contracts and cooperation agreements. These violations created the opportunities for foreign nationals to press for information or steal secret documents, particularly classified documents that our cadres on work assignments or training overseas had in their possession. Worse still, there have been cases of deliberate provision or sales of documents to foreign countries for different reasons, including money, which accounts for most of the cases. Responsible agencies have discovered a number of cases involving the sales of classified documents and maps to a foreign representative office, the provision of telephone information to a foreign telecommunications company, leaks of information on bidding for the exploration of natural resources and minerals... The losses of many important classified documents incurred by our cadres have caused serious damage on the economic and national security and defense fronts...

At present, the international situation is undergoing profound changes. The process of national construction is taking place at a time when hostile forces are carrying out their "peaceful evolution" scheme aimed at getting rid of the socialist regime in Vietnam. They are stepping up efforts to have access to classified documents and take advantage of our loopholes and lack of vigilance to undermine us on the political, economic, diplomatic, and national security and defense fronts. It is their intention to use the national secrets they have stolen through different channels, particularly the classified information on our internal organization, domestic and

foreign policies, economic development strategies, and national security and defense arrangements, to work out an overall plan to hit us and weaken our strength and, henceforth, cause our country to crumble. Economically, on the one hand, they use our economic secrets to hinder growth and cause recession and crisis. On the other hand, they use the impact of investment to cause our market-oriented economy to depend on foreign countries and serve the purposes of creating trade pressure to give them the upper hand when it comes to negotiating or striking economic cooperation deals, and of crushing our production establishments to death through competition...

In carrying out the national renovation process based on socialist orientations, our party and state are adopting the policy of the multilateralization and diversification of international relations and of promoting diplomatic and economic ties with all countries regardless of their political and social systems. It is our policy to develop the multisectorial market-oriented economy. Against that backdrop, our country is drawing the attention of many countries in many fields and becoming a market for the developing countries to compete with one another. As a result, our country is the object of scrutiny of many countries, particularly when it comes to state secrets. The realities of national security protection indicate that many foreign countries are trying by all means to get our national secrets to formulate their policies toward our country. This information is very important because it will be used to create political, diplomatic, and economic pressure to cause us to become the underdog and suffer losses.

Facts show that the number of foreigners entering our country since the exercise of the open-door policy, as well as the number of our citizens going abroad, has been continually increasing. Almost all sectors and localities have had some kind of relations with foreigners, and foreigners are running hundreds of representative offices in Vietnam. Thousands of Vietnamese are working for foreign companies, and the number is continually growing. Many of these people are cadres having access to important information categorized as state secrets. It is certain that these state secrets will be leaked to other countries if these people are not placed under satisfactory control.

In the investment cooperation area, there have been thousands of foreign delegations coming to Vietnam lately to investigate our economic and market situation in order to draft and deploy their investment projects. A number of these delegations belonging to certain countries have managed to contact our public organs, sectors, and cadres to gather economic secrets with which they can have their economic contracts signed

in their favor. Foreign companies, of course, need essential documents, statistics, surveys, maps, charts, etc., involving certain domains and areas in order to plan their investment projects. We must decide, however, on how these documents will be supplied and to what extent. We must know what kind of information we need to keep secret, for a leak of such secret information will benefit the enemy and cause harm to us. In addition, hundreds of international seminars have been and are being held in Vietnam or abroad to discuss topics related to Vietnam. We can acquire a lot of scientific knowledge and learn from the technical experience of other countries through these seminars. Yet there have been certain foreign organs and individuals taking advantage of such forums to raise questions in an attempt to glean information from us. They have gathered information and documents on our economic secrets, our political and social situation, our military news, our secrets on oil and gas exploration, and on the situation of our natural resources and mineral ores. It can be said that seminars are one of the forms through which they can gather information in a legal and most effective fashion. By just spending some money and fixing the goals and targets for a dissertation, a foreign country can obtain a lot of valuable information that it needs on a given subject or a given area of interest, information that is a state secret.

Therefore, the more our international relations and our economic investment developments are expanded, the greater will be our attention paid to safeguarding state secrets.

Numerous leaks of secrets have been noted lately during our contacts with foreign countries. The main reason for this is that our cadres have failed to be fully aware of the importance of the need to maintain secrets. Perceiving things in too simplistic a fashion and losing vigilance has led to cadres being exploited by foreign countries that collect information or steal state secrets from them. Only after something happened did these cadres realize the grave consequences of their lack of vigilance. More seriously, out of a desire for personal gain, certain persons have been carried away by money. Taking advantage of their work-related relations, they have sold secret documents to other countries at the expense of national security and state economic interests. (For example: Two cadres working for Ministry "T" [as published] sold secret documents to a foreign country for 16 million dong in September 1995).

Given the current complex and developing world situation and the common trend among various countries to achieve cooperation while struggling for coexistence and mutual development, the need to safeguard state secrets has become even more urgent, and this will be

very significant for the success of the renovation undertaking in our country. This requires various sectors, echelons, social institutions, mass organizations, businessmen, and all of us to attach importance to the task of safeguarding state secrets, regarding this as a move to protect the interests of our state, of our organs or units, and of ourselves.

Article Views 'Peaceful Evolution Schemes'

*BK1211073395 Hanoi TAP CHI CONG SAN
in Vietnamese Oct 95 No 14 pp 17-20*

[Article by Senior Lieutenant General Dang Vu Hiep, deputy director of the Political General Department of the Vietnamese People's Army: "The People's Army in the Struggle Against the 'Peaceful Evolution' Schemes for the Defense of the Country and Socialism"]

[FBIS Translated Text] There were many very complex factors that contributed to the crumbling of the socialist regimes in Eastern Europe and the former Soviet Union during the 1989-91 period. In addition to a far-reaching cause that originated in the shortcomings and deficiencies that occurred during socialist construction and were not discovered and overcome quickly, and a direct cause that stemmed from serious mistakes in political, ideological, and organizational policies adopted by communist parties in Eastern Europe and in the Soviet Union, it is necessary to take into account another direct and essential cause that is closely related to the two causes mentioned above. This involved imperialism and the hostile forces. Taking advantage of difficulties and erroneous policy lines adopted by the Soviet Union and other socialist countries, these forces stepped up their extremely malicious and dangerous "peaceful evolution" strategy wherein they meddled in the internal affairs of socialist countries in a sophisticated and occasionally brazen manner. They achieved the goal they had harbored for nearly a century; that is, eradicating the socialist system in the Soviet Union and other Eastern European countries. As proved by history, this is something they could in no way achieve through war.

In the initial stage, "peaceful evolution" was regarded as a trick, but since the late 1980's it has become an all-out strategy whose purpose is to destroy socialism peacefully without war. In fact, this is "a war without smoke" in which military force is used as a deterrent in addition to other political, ideological, psychological, economic, scientific, technical, diplomatic, cultural, and social measures aimed at infiltrating socialist countries and developing antisocialist elements within them so as to create internal changes for the eradication of socialism.

Continuing to use the "peaceful evolution" strategy in a more intensive fashion to eradicate socialism in the remaining socialist countries, including Vietnam, is now an important goal of imperialism and the hostile forces. This strategic policy has become open following their victory in the Soviet Union and Eastern Europe.

Our party and people are facing a new struggle; that is, the struggle against "peaceful evolution" schemes. We must fight persistently, using our minds and our revolutionary ethics, if we are to triumph over the enemy in this "new kind of war without smoke" in order to protect our national sovereignty and independence and help the country develop and advance steadily in the socialist direction. This is one of the pressing and vital tasks of our entire party, Army, and people. In this war, we will only be able to dispel and foil successively those tricks and measures used by hostile forces under their "peaceful evolution" schemes if our entire party, Army, and people remain united and firm in their correct renovative lines; achieve success in their renovation undertaking; firmly maintain and strengthen political stability; carry out national development; and at the same time remain constantly vigilant, alert, and clever in building an impregnable, universal combat array.

As an element in that combat array, our People's Army, with its glorious tradition and its huge potential and combined strength, is duty-bound and fully able to participate directly and regularly in this struggle for the defense of our national sovereignty and independence, our party and people, and our socialist regime. Our People's Army must take the initiative in preventing and foiling all the enemy's seditious and subversive schemes related to its peaceful evolution strategy.

One of the most malicious schemes of the enemy's "peaceful evolution" strategy is to isolate our Army from the people, undermine the Army-people unity bloc, and deepen minor differences between certain military units and a segment of the people in given areas. In this way, they will isolate or "neutralize" our armed forces. Facts show that the hostile forces have been able to achieve this goal without much difficulty in the Eastern European countries. It would be a total daydream, however, for the imperialist and hostile forces to think they can manage to orchestrate a similar "theatrical play" in Vietnam.

Stemming from their fine characteristics and very precious tradition, our People's Armed Forces and Army have strengthened their close relations with the people while heightening vigilance against the enemy's wicked schemes. During the past few years, while striving to build the Army's integrated strength, we have consistently made great efforts to enhance further the flesh-

and-blood relations between our soldiers and people. Naturally, the forms and characteristics of this relationship are different today; there are new requirements that are different from those during wartime. As a result, the efforts to formulate measures and methods to strengthen unity and close ties between soldiers and the people during the past period are commendable. Army barracks, in the final analysis, are merely military locations. The most important thing, however, is the presence of soldiers — Uncle Ho's soldiers — in localities where the people's livelihood needs protection. We must continue to accelerate the movement to "enhance the quality of Uncle Ho's soldiers" in the new situation. Each and every cadre and combatant, in carrying out their duties, must strive to make themselves worthy of the love and trust extended to them by the people. This is a very important orientation, through which we have firmly maintained and effectively developed the precious tradition of enhancing the close relationship between soldiers and the people — a relationship that has been built and strengthened throughout 50 years of struggling and building our People's Armed Forces. In this context, and under the universal war plan to fight against the "peaceful evolution" scheme, we must pay attention not only to the military aspect in urgently building our defense zones, but also to the political, ideological, spiritual, sentimental, cultural, and socioeconomic aspects, of which the core factor is to build the "people's war plan and support." During past years, thanks to the people's support and profound sentiments, our Army units throughout the country have actively and creatively formulated methods and measures to strengthen the close relationship between our soldiers and people. In various field trips, especially to remote and mountainous areas with numerous difficulties and hardships, our soldiers have helped people improve their livelihood; established brotherly relations between Army units and villages, wards, enterprises, factories, and schools; strengthened the multifaceted relations between soldiers and students; carried out the movement of better care for families of wounded or fallen soldiers; and supported and assisted various units on duty in border areas and on offshore islands, especially the Truong Sa [Spratlys]. These are the lively manifestations symbolizing new developments in the soldier-people relationship. In designing new forms for the current struggle against the enemy's "peaceful evolution" schemes, we must take into account that the Army's combat function is not limited only to the military domain but also covers other areas. Each and every individual, combatant, officer, and unit of our entire Army is making great efforts in the struggle against the enemy's schemes to neutralize our Army's strength and undermine the flesh-and-blood relations between our soldiers and people.

The main objective of the "peaceful evolution" strategy of imperialism and the hostile forces is to carry out "ideological warfare." They have openly declared that "the existing volume of weapons, trade agreements, international economic aid, and cultural relations will bring Vietnam nowhere if it fails in the ideological front." Acting from this context, the hostile forces are attempting to carry out various wicked schemes to damage the Marxist-Leninist ideology, discredit Ho Chi Minh Thought, stir up the demand to abolish party leadership, propagate bourgeois ideology, establish political opposition forces, and promote rebellion from within to "bring war behind the Iron Curtain" so as to overthrow the socialist system. To "neutralize the Army politically" is one of the most perfidious schemes of the "peaceful evolution" strategy in the politico-ideological domain.

Only by simultaneously carrying out the task of enhancing the Army's capability and politico-ideological background and the task of actively and collectively attacking the enemy's "peaceful evolution" strategy will we be able to record true achievements in our struggle against the enemy. The reality of our struggle requires such efforts. As a result, we should not ignore the need to carry out these two tasks in a uniform and simultaneous manner.

It is necessary to build and consolidate the socialist ideological front and make cadres, party members, and combatants persist in the socialist path, Marxism-Leninism, and the Ho Chi Minh ideology and thoroughly understand the party-initiated renovation line and standpoints. Given that demand, revolutionary fervor must go hand in hand with political dexterity to guarantee quality and political expertise for each cadre and each combatant. If we are not willing to improve our skills and knowledge, we will be unable to overcome the great challenges posed by the new contest of strength between socialism and the hostile forces that consider themselves to be in an advantageous position.

Fully realizing the importance of that demand, our People's Army has taken steps to consolidate the contingent of cadres in charge of political and ideological indoctrination and has worked quite closely with other organizations countrywide in a bid to take the initiative in launching our struggle on this very important front. Profound and correct understanding of the enemy will enable us to strike powerful and effective blows. This experience is significant not only in the military field but also in the political-ideological front, where there have been many limitations due to our simplistic points of view. Efforts must be made to study the dark schemes and maneuvers of the "peaceful evolution" strategy and analyze the "tricks" of the enemy on the political-ideological front, and plan our coun-

terblows henceforth to safeguard the noble and scientifically and humanely solid values of the basic principles of Marxism-Leninism, the Ho Chi Minh ideology, and the lines and standpoints of our party. These measures provide the best solution to the current struggle on the ideological front. A series of theoretical, political, and ideological research projects and press articles completed by the contingent of Army cadres have yielded encouraging results and their intellectual products have made a positive contribution to the common struggle. If we do not take serious measures to renovate our theoretical thinking and improve our intellectual level and scientific knowhow, we will be unable to participate effectively in that struggle. The reason is because if we are to win over the enemy on this front, we must rely mainly on our ability to mobilize, direct, and educate the masses through scientifically solid facts and through lessons drawn and compiled from real-life situations. To make a personal effort to build its own capabilities while at the same time taking the initiative in organizing forces to participate in the common struggle is the best way for the Army to develop its aggregate military strength and together with the entire people, contribute to the success of the struggle against the "peaceful evolution" strategy on the political- ideological front.

Sometimes, people only pay attention to the impact of the "peaceful evolution" strategy on the political-ideological front and belittle the role of this dark scheme in the economic field, regarding the struggle against "peaceful evolution" as the responsibility of politicians whereas economic activities involve only "business dealings" aimed at promoting the growth of the national economy. This lack of vigilance is also manifested by the belief that politicians are inclined to exaggerate the danger that the "peaceful evolution" strategy may pose to the economy. Taking advantage of the aforementioned characteristics and tendencies, the hostile forces have performed a number of economic activities to exert a gradual yet direct impact on the course of development of the national economy based on socialist orientations and gradually shift the economy to the capitalist economic system through sophisticated means which, from the outside, seem like nothing but measures to promote economic relations.

What is unique about our Army is its fine tradition of participation in production. To engage in production and economic activities to enhance its own strength and help with national construction is our Army's regular work. Given the current new struggle, we need to realize even more clearly a new fact in order to carry out that task satisfactorily. To help with the development of the national economy, we must first of all know how to select practical economic tasks that are likely to yield

the best results for our efforts to link national defense with economic development and vice versa and help with the consolidation of the socialist foundation of the national economy and of the key role of the state economy in the multisectorial economic system. This is a strategically important problem that we must bear in mind while trying to organize production and economic activities for the Army. This is also the best way for the Army in its function as a military organization participating in production to play a direct role in the struggle on the economic front. Over past years, the Army has acted in line with that trend and has achieved encouraging results. Nonetheless, given the growing demands of the anti-peaceful evolution struggle on the economic front, we must persist in our efforts to comply more satisfactorily with that trend.

The field of culture, literature, the arts, and society is very diversified, delicate, complicated, and especially sensitive. It can be used in the "peaceful evolution" strategy to cause doubts, vacillation, opportunism, and deviation and to create internal forces against socialism. The affect of the capitalist lifestyle and conception on cultural and moral values after the collapse of socialism in the USSR and Eastern Europe is a favorable condition for the hostile forces to implement "peaceful evolution" tricks in this field. In the last seven or eight years, we have directly witnessed different forms of aggression at various levels committed by the hostile forces in the cultural and social field. Moreover, we have not always enjoyed an advantageous position in this very complicated struggle.

The real situation over the past few years has confirmed that the Army's "self-protection" and "immunity" is great and strong. The impact of "peaceful evolution" on the Army, however, is indirect and subtle. It is done through the multilateral relations of cadres and soldiers with the social and cultural life and through the regular recruitment and replacement of soldiers under the Law on the Military Obligation. Therefore, we absolutely cannot be subjective. On the one hand, the Army needs to introduce a uniform, complete, scientific, and detailed plan to build and preserve national traditions as well as fine socialist values in the field of culture, morality, lifestyle, and aesthetics in all cadres and soldiers so that they can be "immune" from capitalist and alien conceptions and lifestyles. On the other hand, the Army — as a combat force with precious traditions and great experiences in social and cultural activities and with a relatively complete cultural system — must become a strong force in the fight against "peaceful evolution" in the cultural and social field. In the past few years, especially in 1994 and 1995, with the strong determination to revamp and reorganize the Army's

cultural and arts force and with close coordination with the cultural and arts forces from the central down to the local levels, we have efficiently developed the strength of these "special troops" both to contribute to the building of a fine and healthy spiritual life in the Armed Forces and to participate actively in the fight to protect the party's correct directions on culture and the arts, thus helping to enrich our culture and directly limit and confine the affects of bad and reactionary cultures.

Reality has proven that our potential is great. The use of this potential in our fight has been limited, however. We have hundreds of professional writers and artists who have been tested and found very able in all forms of culture and arts; thousands of amateur and semiprofessional artists; 15 art troupes; the system of military publications with plentiful combat experience in the ideological and cultural front; 25 museums; hundreds of traditional houses with hundreds of thousands of valuable artifacts; hundreds of libraries and reading rooms with millions of books; and hundreds of cinema groups with thousands of films about our revolution, wars, and soldiers. If all these contingents, facilities, and cultural products are fully mobilized and

satisfactorily organized in a common struggle to protect and build a fine culture; fight the bad and poisonous culture; and develop positive influences of the healthy culture in every areas, village, and region — especially in key, remote, and difficult areas, where the enemy normally tries its best to penetrate — we will certainly create great political, spiritual, and cultural strength. In the past, we have made fundamental achievements with our new conception. The demand of the new struggle against "peaceful evolution" in the cultural and social field requires us to heighten our awareness and combat organization in this delicate, diversified, and special field.

The fight against "peaceful evolution" in all fields of social life has been and will be a complicated and enduring struggle. It requires the combined strength of the entire party, Army, and people. In this common strength, the Army has been and will be a reliable force in the efficient fight to frustrate all enemy conspiracies and tricks and firmly protect our national independence and socialism.

Australia

Envoy to Nigeria Recalled To Protest Execution

BK1211083095 Melbourne Radio Australia
in English 0500 GMT 12 Nov 95

[FBIS Transcribed Text] Australia is joining a number of countries, including the United States and the European Union, in recalling its ambassador from Nigeria in protest over the execution of the Nigerian political activists. Australia's prime minister, Paul Keating, says it's necessary for world leaders to take strong action where human rights are concerned.

[Begin Keating recording] In the first instance, we will be withdrawing our ambassador to show our anger and our objection to the sort of behavior. I've been part of a majority, who are an overwhelming majority of Commonwealth leaders, which has made clear that Nigeria be suspended from the Commonwealth until it demonstrates that it has a change of heart — changing ways the country operates and moving back towards civilian government. [end recording]

Evans Welcomes SRV Deportation of Dissidents

LD081115095 Melbourne Radio Australia
in English 1000 GMT 8 Nov 95

[FBIS Transcribed Text] Australia has welcomed the decision by the Vietnamese Government to deport two prominent political prisoners. Vietnamese-Americans Nguyen Tan Tri and Tran Quang Liem were expelled on Monday after serving one and a half years of a sentence imposed for attempted subversion in connection with efforts to organize a conference on human rights. However, the leader of the group, (Nguyen Dim Hui), remains in detention and is serving a 15-year sentence.

Australia's foreign minister, Gareth Evans, says Australia remains concerned by the detention of political and religious dissidents in Vietnam.

Two Indonesian Boats Seized in Kimberley Region

BK0611075195 Melbourne Radio Australia
in English 0500 GMT 6 Nov 95

[FBIS Transcribed Text] Two Indonesian fishing vessels have been apprehended allegedly inside Australian waters off West Australia's Kimberley region. Australia authorities say an Indonesian long-line boat was apprehended at Scott Reef about 300 nautical miles north of Broome and is currently under escort. The boat is expected to arrive at the Willie Creek Holding Center on Thursday [9 November]. A second vessel has been detained at Ashmore Reef.

Meanwhile, two boats apprehended two weeks ago in the same region will be escorted out of Broome into Indonesian waters today.

'Insufficient Competition' Main Economic Problem

BK0911152495 Sydney THE AUSTRALIAN
FINANCIAL REVIEW in English 27 Oct 95 p 44

[Editorial: "Economic Blowtorch Too Weak"]

[FBIS Transcribed Text] Those who think Australia's process of economic reform has gone far enough have in recent days been given a string of good reasons to think again. First there was the news that, largely due to excessive wage increases, inflation is continuing to gain momentum. Yesterday came evidence confirming the extent of the upward trend in weekly earnings.

On top of this two other developments, which also took place yesterday, have highlighted the extent of our failure to come to terms fully with the urgent need for much greater flexibility in all areas of the economy.

One was the decision by the Australian Industrial Relations Commission (AIRC) to overturn the controversial Tweed Valley enterprise agreement under which employees traded off their sick leave for more pay.

The other was the release of the Industry Commission's latest annual report. While this welcomes the gains made in exposing Australian industry to greater economic competition, it also contains some quite stiff criticism. "The reform task," it argues, "is by no means complete."

Precisely. In fact, it is so far short of being complete that Australia is in danger of leaving itself trapped in the worst of all possible economic worlds — one where there is just enough regulation and protection left in place to ensure that the changes which have been introduced end up, more often than not, being self-defeating.

All four developments — excessive wage increases, higher inflation, industrial rigidity and the criticism by the Industry Commission — essentially come back to just one problem: insufficient competition.

Despite the reforms of the past decade, there simply isn't enough competitive pressure in the Australian economy; nor, for that matter, in the whole Australian society. Life may not have been meant to be easy but there is little doubt that, for many in this country, it is. Far too easy.

Many companies, enjoying near monopolies, don't fight hard enough to hold down costs. The result, in our hybrid enterprise-bargaining system, is excessive wage increases relative to productivity gains.

Employees and their trade unions, sheltered by large elements of the old centralised industrial relations system are able to insist on conditions which hold back our ability to compete internationally.

The successful trade union fight to overturn the enterprise deal struck at Tweed Valley Fruit Processors is only the latest example of this. While that agreement may have been far from ideal, it was an agreement the employees on the shopfloor had accepted. That should have been enough to leave it in place.

Unfortunately, under existing industrial relations law the deal has been overturned. In taking this action the AIRC argued that the agreement resulted in a reduction of award entitlements and so failed to comply with the existing "no-disadvantage" test.

This test is simply too inflexible. While it is reasonable to insist on a few basic, irreducible conditions of employment, these should be universal, not built on the concept that the benefits conferred by existing awards can never be diluted.

But it's not just employees who are being artificially protected from the full force of market competition. So are employers. This is the case despite the significant tariff cuts. Similarly, although micro-economic reform is injecting a new competitive ethos into much of the public sector, this still has a long way to go.

The unfortunate reality, with respect to the Australian economy, is the fact that we have too many near monopolies and oligopolies supplying local demand which aren't easily challenged by imports. In these circumstances it is far too easy to pass on higher costs to consumers in the form of higher prices.

One area where far more could be done to change this is that of trade in services. As the Industry Commission observes, the General Agreement on Trade in Services allows the Federal Government to continue to provide a large measure of protection to such services as coastal shipping, railways, almost all telecommunications, construction, retailing, insurance and road transportation.

Commenting on this, the commission notes: "Given the importance of services to the Australian economy and the continuing possibility of growth in services trade Australia has much to gain by reviewing the appropriateness of its protection against trade in services."

That's putting it mildly. Putting it rather more bluntly this sort of protection should be scrapped. It is symptomatic of the failure to push hard enough to inject the maximum possible competitive pressure into the Australian economy.

Until this is done, the chance of properly tying wage rises to productivity improvements, especially under our hybrid industrial relations system, will be slim.

International Plans for Space Launches Viewed

BK0911154295 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 23 Oct 95 p 10

[Report by Peter Quiddington]

[FBIS Transcribed Text] A burst of interest in the use of Australia as a rocket launch site has raised hopes that the flagging national space program may get a reprieve.

The space program is under review after a decision in the last Federal Budget to cease funding at the end of this financial year.

The first of a series of six scientific launches by NASA is to go ahead today at the Woomera launch site in outback South Australia.

There are also plans for a model of the new Japanese orbital launch vehicle to be tested at Woomera later this year.

And a new joint venture with the Russians to develop a commercial launch market in Australia is expected to be put in place in the new year.

The most promising space development for Australian industry is a new Australian consortium which is considering building and launching a mineral mapping satellite to go into Low Earth Orbit (LEO) in 1999.

The Australian Space Office has decided to back a full-scale feasibility study into the project.

The cost of the \$1 million study is to be shared between the Federal Government, consortium members and users of the information, which are predominantly mining and mineral exploration companies.

The consortium is made up of the CSIRO [Commonwealth Scientific and Industrial Research Organisation], Auspace, the Australian Centre for Remote Sensing and three small firms — Geoimage of Brisbane, Earth Resource Mapping of Perth and Technical and Field Surveys of Sydney.

The Space Office originally wanted to put \$5 million into the venture, but this is now in doubt as a result of the Government's Budget decision to stop funding.

A review into the Space Office is nearly complete.

One of the last submissions to the interdepartmental committee conducting the review will come from the Space Office and will point to the growing interest in Australia as a launch site.

The Space Office has been negotiating with the Russian Cosmos Group for more than a year. Cosmos wants to enter a joint venture with Australia early next year to develop and market a new launch vehicle, based on former Russian inter-continental ballistic missiles.

While the use of ICBMs [Intercontinental Ballistic Missiles] was thought to be restricted under the START arms control treaty, the United States has recently set a precedent of approving the use of a former ICBM for the launch of an Earthwatch satellite.

The Space Office has also been negotiating with the Russian group STC Complex, which is looking at the short-term potential of launching satellites in co-operation with Australia.

NASA's program of sub-orbital launches is being carried out in co-operation with the Space Office and the Department of Defence. The launches will hold scientific payloads from US universities.

The plans for the testing from Woomera of the new Japanese orbital launch vehicle are being finalised. The vehicle is a one-third scale model of its single-stage orbital shuttle.

Critics of the Space Office including the Institution of Engineers and the Academy of Science, have told those conducting the review that the rocket launch industry is not the best route to take to seed an Australian space industry as it neglects the significant technical and scientific capabilities available in Australia.

But the Space Office and the minister responsible for the space program, Senator Chris Schacht, are adamant the launch market can provide key opportunities for Australian industry to become involved in providing technical support and hardware.

Senator Schacht is understood to have begun talks with other ministers to get backing for legislation, to be introduced early next year, to facilitate commercial launches.

Without legislation, it is argued the Federal Government could be subject to claims from other countries if there were accidents.

French Polynesia

Tahiti Assembly Adopts Draft Law on Autonomy

LD0911095295 Wellington Radio New Zealand International in English 0900 GMT 9 Nov 95

[FBIS Transcribed Text] The Territorial Assembly in Tahiti has adopted a draft law on autonomy for French

Polynesia proposed by the territory's chief, Gaston Flosse. Of the 37 members present, 30 voted for the draft, one abstained and six voted against.

The bill must be passed by the French National Assembly in Paris before the year's end. It increases the territory's powers with regard to its offshore economic zone, international air transport, external communications, and the formation of a broadcasting supervisory body. The bill also proposes that the territory's councillors be called deputies henceforth, that the head of the government be called President of French Polynesia, and an Order of Merit be created in the territory. The six opposition councillors criticized what they saw as an increase in the powers of the executive, which would favor Mr. Flosse.

Papua New Guinea

Australian Envoy: Need for Infrastructure Funding

BK0511132595 Melbourne Radio Australia in English 0600 GMT 5 Nov 95

[FBIS Transcribed Text] Australia's high commissioner to Papua New Guinea [PNG], Bill Farmer, has highlighted concerns among donor countries about the PNG Government's poor funding of maintenance work on infrastructure. Speaking during ground-breaking ceremony to upgrade 93 km of the Highlands highway, he said it was important to provide adequate funding to infrastructure. Mr. Farmer stressed the need to clearly establish the roles of the agencies involved in project planning to ensure they work together.

Prime Minister Sir Julius Chan also attended the ground-breaking ceremony in Mendi and Wabag.

Officials Deny Indonesian Military Build-Up

LD0911101395 Melbourne Radio Australia in English 0800 GMT 9 Nov 95

[FBIS Transcribed Text] Papua New Guinea border officials have denied reports of a military build-up by Indonesia along the border with PNG. Radio Australia's Port Moresby office says government officials made the assurance after visiting the border region. The district officer in Green River, near the border, says there was a flyover into PNG air space by Indonesian military aircraft the day after an attack on Indonesia's Vaimo consulate by rebels from the Free West Papua movement two weeks ago. But the PNG border official said they'd found no evidence of a subsequent troop build-up. PNG police have yet to arrest any of those responsible for the raid on the consulate.

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